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FBIS-SOV-96-118 *18 June 1996*

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Russia: Latest Results Show Increase in Yeltsin's Lead

LD1806100496 Moscow ITAR-TASS in English 0929 GMT 18 Jun 96

[By Nataliya Panshina]

[FBIS Transcribed Text] MOSCOW, June 18 (Itar-Tass) — According to the verified results of the first round of voting, Boris Yeltsin has somewhat increased his lead over communist leader Gennadiy Zyuganov, who is runner-up.

According to information released by the Federal Information Centre, President Yeltsin was backed by 35.06 per cent of the people who took part in the voting (26,000,057). Communist Zyuganov, leader of the so-called Bloc of People's Patriotic Forces, polled 31.96 per cent of the votes (23,697,740). Aleksandr Lebed, who was apppointed today Secretary of the Russian Security Council and the President's National Security Aide, is third with 14.70 per cent of the votes (10,901,654). He is followed by leader of the Yabloko bloc Grigoriy Yavlinskiy with 7.41 per cent of the votes (5,496,960) and Liberal-Democratic Party Leader Vladimir Zhirinovskiy with 5.76 per cent (4,274,728).

Dmitriy Oreshkin, representative of the Federal Centre, said that the computers had still not received the results of the voting in Chechnya, where approximately 470,000 people came to the polls.

Russia: Zyuganov Wins in Most Internal Republics

LD1706142796 Moscow INTERFAX in English 1406 GMT 17 Jun 96

[FBIS Transcribed Text] MOSCOW, June 17 (Interfax) — Communist Party leader Gennadiy Zyuganov won in most internal republics within Russia, according to unofficial voting results, the Central Electoral Commission (CEC) said Monday.

Russian President Boris Yeltsin prevailed over Zyuganov in Ingushetia with 36 percent against 29 percent of votes, Kabardino-Balkaria with 42 percent against 36 percent, Karelia with 42 percent against 17 percent, Komi with 40 percent against 16 percent, Sakha with 52 percent against 20 percent, Tuva with 59 percent against 21 percent and Udmurtia with 37 percent against 30 percent of votes.

However, Yeltsin lost to Zyuganov in Tatarstan with 33 percent against 41 percent, Bashkortostan with 34 percent against 41 percent, Buryatia with 30 percent against 40 percent, Dagestan with 24 percent against 66 percent, Adygea with 20 percent against 51 percent, Altay with 30 percent against 39 percent, Karachayevo-Cherkessia with 26 percent against 55 percent, Mari El with 22 percent against 47 percent, Mordovia with 24 percent against 50 percent, North Ossetia with 19 percent against 62 percent, Khakassia with 29 percent against 35 percent and Chuvashia with 20 percent against 54 percent of votes.

The commission also made public information on voting in the central areas of Russia. Zyuganov won 51 percent of votes in the Kursk region, 54 percent in the Orel region, 51 percent in the Penza region, 40 percent in the Ryazan region, 35 percent in the Samara region, 45 percent in the Smolensk region, 45 percent in the Voronezh region, 52 percent in the Tambov region, 34 percent in the Tver region and 46 percent of votes in the Ulyanovsk region. Yeltsin and Zyuganov came in neck-and-neck with 30 percent of votes in the Tula and Ivanovo regions and 28 percent of votes in the Kostroma region.

Yeltsin won a convincing victory in the Nizhniy Novgorod region with 35 percent of votes, Novgorod region with 36 percent, Perm region with 55 percent, Sverdlovsk region with 59 percent and Leningrad region with 37 percent of votes.

Russia: Voting Results From Ukraine's Regions Detailed

WS1806082496 Kiev INTELNEWS in English 0110 GMT 18 Jun 96

[FBIS Transcribed Text] Kiev, June 17. The majority of Russian citizens living in Ukraine, voted in favor of incumbent Boris Yeltsin in Russian presidential elections Sunday, the Russian embassy reported Monday.

In Kiev, of 1,500 Russian citizens 850 people, or 55 percent, voted for Yeltsin. Gennadiy Zyuganov, Russia's Communist Party chairman, received 18 percent, Alexandr Lebed and Grigoriy Yavlinskiy got 10 percent and 9 percent, respectively.

Across Ukraine:

—Of 157 voters in western Ukraine, 60 people, 39 percent, voted for Yeltsin, 59 people voted for Zyuganov, 22 voted for Yavlinskiy and 11 ballots were cast for Lebed.

—In Kharkov of 459 electors 54 percent were for Yeltsin, Zyuganov received 23 percent, 12 percent have been got by Lebed and six percent by Yavlinskiy.

—In Simferopol, of 1,243 participants of the elections, 469 people, 38.7 percent, voted for Yeltsin, 432 people, 34.9 percent, for Zyuganov, 184 people, 14.8 percent, voted for Lebed, 65 people, 5.25 percent, voted for

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Vladimir Zhirinovskiy and 46 people, 3.7 percent, voted for Yavlinskiy.

—In Yalta, of 1,302 voters, 817 people voted for Yeltsin, 206 for Zyuganov, 113 for Lebed, 99 for Yavlinskiy and 31 for Zhirinovskiy.

—In Odes a, of 162 people who officially registered in the Russian General Consulate, 616 voted; 351 people voted for Yeltsin, 109 voted for Zyuganov, 64 voted for Lebed and 60 voted for Yavlinskiy.

According to preliminary data, provided by the Black Sea Fleet headquarters, 100 percent of BSF servicemen and 94 percent of the city's population with Russian citizenship voted in Sevastopol for the elections. Yeltsin won 55 percent of votes, while Zyuganov and Lebed both won 20 percent.

According to unofficial information, more than 20,000 voters came Sunday to polls in Sevastopol, though during December's Duma elections only 13,098 individuals in the region voted.

Russia: Yeltsin Leads With 55 Percent Among Russians in Belarus

WS1806080696 Minsk BELAPAN in English 0743 GMT 18 Jun 96

[FBIS Transcribed Text] Minsk, 17 June — The Russian citizens who stayed on the Belarusian territory on June 16 had an opportunity to vote for their candidate in six Belarusian towns, including in Minsk, where the Russian Embassy is located, Brest (in the General Consulate of the Russian Federation), and in Klyotsk, Lida, Bykhaw and Mazyr where Russian military units are stationed.

As a BELAPAN correspondent was informed in the commission for presidential elections at the Russian Embassy in Minsk, 3,848 out of around 4,500 people entered on the voting register took part in the elections. Among them 2,106 voted for Yeltsin (about 55 percent), 702 for Aleksandr Lebed (18 percent), 552 for Gennadiy Zyuganov (14 percent), 264 for Grigoriy Yavlinskiy and 126 for Vladimir Zhirinovskiy. Other candidates won less than 30 votes each on the Belarusian territory. 29 ballots were declared invalid.

Russia: Yeltsin Leads in Far East, Urals, Central European Russia

LD1706161396 Moscow INTERFAX in English 1539 GMT 17 Jun 96

[FBIS Transcribed Text] MOSCOW, June 17 (Interfax) — Incumbent President Boris Yeltsin won most of the votes in three out of four groups of Russia's regions, the information center of the Central Electoral Commission reports.

In Russia's Central European part both Yeltsin and Communist leader Gennadiy Zyuganov won 34 percent of the votes each, followed by General Aleksandr Lebed with 15 percent, Yabloko leader Grigoriy Yavlinskiy with 7.7 percent and Liberal Democratic Party leader Vladimir Zhirinovskiy on 5 percent.

In the Urals and east of the Urals Yeltsin is in the lead with 39 percent, followed by Zyuganov on 29 percent, Lebed with 12 percent, Yavlinskiy on 7.9 percent and Zhirinovskiy with 6.3 percent.

Yeltsin is also leading in the Far East with 33 percent, followed by Zyuganov on 28 percent, Lebed with 15 percent, Zhirinovskiy with 9.8 percent and Yavlinskiy on 7.7 percent.

Zyuganov won first place in Siberia with 34 percent, followed by Yeltsin on 29 percent, Lebed with 16 percent, Zhirinovskiy on 8.3 percent and Yavlinskiy on 7.4 percent.

Russia: Yeltsin Hopes for Cooperation With Yavlinskiy

LD1806074296 Moscow ITAR-TASS in English 0725 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW June 18 (Itar-Tass) — President Boris Yeltsin hopes to win over the votes of liberal economist Grigoriy Yavlinskiy, but has not met him yet.

"We have not yet held talks with him", Yeltsin told reporters on Tuesday adding that he did not yet know who Yavlinskiy was going to cooperate with.

However, the president expressed hope that he would find "a common language" with Yavlinskiy.

Russia: Yeltsin Urged To Rebuild Democratic Alliance

MM1706144296 Moscow IZVESTIYA in Russian 18 Jun 96 p 1

[Article by Otto Latsis under the "Lightning Analysis" rubric: "We Are Still Faced With a Choice. Yeltsin or Zyuganov? This Will Depend to a Great Extent on Lebed's Voters. Russia Does Not Want Abrupt Movements"]

[FBIS Translated Text] We are deliberately repeating the headline of IZVESTIYA's first commentary after the December State Duma elections — "Russia Does Not Want Abrupt Movements." The first round of the presidential elections has confirmed the conclusion

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drawn back then: For over three years now, beginning with the 1993 April referendum, the astounding lability of personal preferences has been combined with an equally astounding stability of opinion on the part of our voters regarding the main question: They do not want to change the path chosen by Russia in recent years. The set of complaints made about the authorities is changing, and the list of leaders proposed as newcomers to the political heights is changing, but the number of people advocating a return to the past does not exceed 30-40 percent and the number of supporters of the new Russia is never below 60 percent.

An especially convincing detail in this respect is the stance of voters in the most depressed cities in the most depressed regions: the residents of defense industry centers, including in the Far East. While proclaiming their dissatisfaction with their social position in the harshest of protest actions, they nevertheless did not opt for Zyuganov.

What are the important points, aside from this main conclusion?

The elections have taken place — in vain did the opposition try to scare us with the specters of an antidemocratic conspiracy on the part of the authorities.

So far there are no tip-offs regarding serious violations of the election rules — something else, apparently, that they tried to use to scare us in vain.

Voters did not make their choice on the basis of programs: Most of them simply could not have read the programs published in recent days, and some of the contenders had more than one program. They chose an individual, but many people's ideas of the ideal leader have become more mature. Thus Zhirinovskiy, who lost almost half his voters between the 1993 and 1995 parliamentary elections, has lost a further third of his support. But his place has not been taken by Bryntsalov, who tried to turn himself into "yesterday's Zhirinovskiy."

Critical moods are very strong among advocates of progress along the path of reform. This is shown by Yeltsin's considerable loss of votes in comparison with the last presidential elections. It is shown by the staunch support of democratically inclined voters for Yavlinskiy, who for the first time (according to preliminary figures) is ahead of Zhirinovskiy. And this is despite the fact that the "Yabloko" leader certainly suffered the effects of fears of "wasted votes": Many of his supporters voted for Yeltsin since they knew the forecasts for Yavlinskiy were not encouraging. Finally, this is shown by Lebed's sensational success.

The nature of this success requires thorough analysis. What happened between December, when the KRO [Congress of Russian Communities], which was gambling on Lebed, unexpectedly failed, and 16 June? One thing certainly happened: Lebed made it very clear that the "order within the state" he is promising is not a Zyuganov-style, revanchist order.

Those who do not want to see Zyuganov's revenge have no right to relax: Yeltsin's margin of superiority is still very small and could be easily lost if his supporters do not all turn out in the second round. It is also obvious that the "key" is held by the voters who voted for Lebed and Yavlinskiy in the first round. Zyuganov will get some of Zhirinovskiy's votes even if there is no formal alliance between the CPRF [Communist Party of the Russian Federation] and LDPR [Liberal Democratic Party of Russia]. Will Yeltsin receive a compensating increase in support from voters advocating reform? A great deal depends here on the actions of the president of Russia himself over the next few days. Yeltsin risks losing if he relies solely on the new bureaucratic elite. He vitally needs to renew and strengthen the alliance with democratically inclined voters. And this applies to more than just the period between the two rounds of the elections.

Russia: Yeltsin Seen out of Touch With Regions' Hopes

MM1706191696 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Jun 96 p 2

["Our Commentary" by observer Valentin Karkavtsev]

[FBIS Translated Text] At least three preliminary conclusions can already be drawn on the basis of the way the Russian regions have voted (without taking the Near Abroad into account for the moment).

First conclusion. The country did not undergo any major changes in its sympathies as compared with the two-colored pattern of the first democratic call of 1991-1993. The large cities, the Far East, the European North, and the Urals are prepared to forgive Yeltsin for his mistakes and do not want to turn off in a communist direction. The "Red belt" is so called with good reason, as it has proved once again. The rural heartland, irrespective of latitude, does not want to forgive the democrats for the lost kolkhozes and sovkhozes, which for the peasant embodied a communal world tested over a period of centuries. That is, no matter how much the Westernizers and patriots may divide Russia, beyond the Garden Ring [Moscow inner beltway] it is still a set of principalities with established political traditionalism.

The president's team, which understands this perfectly well, took a few "emergency" steps involving some pre-

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election trips by Yeltsin to the "controversial regions." But what did this achieve? Even if the Cossacks shouted "Right On!" this did not mean that all the others went along with them: In Stavropol and Rostov, for example, Zyuganov firmly occupies first place (43.9 and 33.8 percent). That is the value of the demonstrative "Right On!" The value of the president's visit to the oppposition-supporting Novosibirsk is no higher — he is lagging behind Zyuganov by 9 percent there. So the second conclusion is this: Giving out "Christmas tree baubles" in the localities (in the form of regional edicts, paying off the arrears, and so forth) certainly does not mean victory.

Third conclusion. During the five years of postcommunism, Boris Nikolayevich has tested various methods of regional policy accompanied by various curators — from the mild Shakhray to the tough Yegorov. And in fact this was not really about the "kaleidoscope" of cadres in the Ministry of Nationalities Affairs; it was about the creation of a rational organization for relations between the center and the regions. What has the election shown in this respect? Only that shifting from one extreme to another meets with little sympathy in the ethnic provinces. This is indicated by the mere fact that the "bronze medal-winning" presidential candidate, Aleksandr Lebed, who was campaigning for a strong state and order, gained the least glory in these very regions. Judge for yourselves: Bashkiria — 8 percent, Tatarstan — 7.2 percent, Karachayevo-Cherkessia — 6.8, Tuva — 4.87. The trend is: "We do not need a Yermak or Yermolov here!" [historical Russian generals involved in conquest of Siberia, North Caucasus]

So be it. I do no expect that, if he does strike a deal with Lebed before the second round, Yeltsin will "unleash" him into the regions. Thank God, there are some specialists in this sphere. But if Aleksandr Ivanovich is "tasked" with Chechnya, all the other republics will react (as another ex-candidate says) "unequivocally": Nowadays attitudes toward a "firm hand" are not what they used to be....

Russia: Yeltsin Aide Ilyushin Discusses Election Results

LD1706220196 Moscow NTV in Russian 1535 GMT 17 Jun 96

[From the "Hero of the Day" program]

[FBIS Translated Text] [Correspondent Yevgeniy Kiselev] The "Hero of the Day" program is on the air as usual. Yevgeniy Kiselev is in the studio. Good evening! The main topic today is of course the results of the first round of the presidential elections in this country. We are live on air, and the guest in our program today is Viktor Ilyushin, the head of President Boris Yeltsin's election headquarters.

Viktor Vasilyevich, thank you for coming. The president received 35 percent of votes, more than 35 percent — this is the latest data that we received just a few minutes ago. Zyuganov has less than 32 percent, and of course the third place of General Lebed came as a big surprise. What do you think of the election results in general?

[Ilyushin] We regard them as our victory of course.

[Kiselev] Victory?

[Ilyushin] Naturally. Isn't it the case? If you compare the number of votes won by Boris Nikolayevich with that of his arch rival, Yeltsin's figure is higher. We are used to election results with a much bigger gap, but all this is in the past. These are new elections. Perhaps these are the first elections when it is obvious that we are going to have two rounds to achieve the objective. This is a normal and natural process and there can be no other view on our part.

In addition, if we look at the number of votes received by our arch rival, it must be said that in the recent years at every election the Communist Party of the Russian Federation [CPRF] receives less votes than it already had. Moreover, according to our experts, in these elections it received half a million votes less.

[Kiselev] Half a million votes less?

[Ilyushin] Yes.

[Kiselev] It is very interesting.

[Ilyushin] In addition, I want to draw your attention to the fact that the presidential candidates representing the reformers' bloc received a considerable number of votes exceeding the number of votes received by the CPRF leaders.

[Kiselev] In other words, the figures are comparable with those of the CPRF leaders?

[Ilyushin] What do you mean comparable? If you add up the votes received by Boris Nikolayevich Yeltsin, Aleksandr Ivanovich Lebed, Grigoriy Alekseyevich Yavlinskiy...

[Kiselev, interrupts] Of course if one counts votes this way.

[Ilyushin] Of course.

[Kiselev] Viktor Vasilyevich, I want to ask you a question that I cannot avoid asking, otherwise our viewers will never understand me. Everyone remembers perfectly well that the president was very insistent when he was talking about his victory in the first round. Even a

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week before the elections, in an interview he gave to the "Itogi" program, he said he forbade you, the managers of his election campaign, even to discuss the possibility of a second round.

In fact today we saw the president absolutely calm and confident making a statement broadcast by all television channels. I immediately asked myself: Did he really believe that there would be no second round or did he simply not want you to relax?

[Ilyushin] I must admit to you that Boris Nikolayevich was recording this statement for television after he had a meeting with a group of members of our election headquarters. Our meeting was held at 0700 and I can tell you that Boris Nikolayevich did not praise us for the results. At the same time, he did not criticize us either.

[Kiselev] So he did not criticize you?

[Ilyushin] No, he did not. I think that the statement made by Boris Nikolayevich earlier about the possibility of his victory in the first round was strategically correct. To a considerable degree it mobilized his supporters, it organized them. At the same time, I think that these statements had a demoralizing effect on our enemies' camp. From this point of view it was also correct. I think a presidential candidate should set himself such a target.

It is up to the people who work in his election headquarters to work in such a way so that the target is achieved.

[Kiselev] You said you had a meeting at 0700. Was it your only meeting with the president today? Did you keep in touch with him last night?

[Ilyushin] Of course we did.

[Kiselev] So Boris Nikolayevich did not sleep last night?

[Ilyushin] No, he did not. He was regularly receiving information. We were exchanging views on how the elections were going and discussing some details.

[Kiselev] Where were you physically? At the headquarters in the President-Hotel?

[Ilyushin] Yevgeniy Alekseyevich, I am on leave for a third month now. Last night, together with my colleagues, I was in one of the rooms of the President-Hotel where we have our headquarters. I was closely following the vote counting. So, I was working like many others of my colleagues.

[Kiselev] Good. What strategy are you going to propose for this dramatic period between the first and second rounds?

[Ilyushin] In spite of the fact that in one of his remarks on television Boris Nikolayevich said that he forbade us to think about the second round, naturally we began working on it much earlier than 16 June. It was perhaps one of the few pieces of advice I have ever accepted in my work, which I received from many foreign experts in organizing election campaigns. They warned me that, if one does not begin preparations for a second round in advance, one may lose. As a rule, it happens within seven or 10 days after the first round.

[Kiselev] What do you mean lose?

[Ilyushin] I mean to lose in the way of organizing things. Therefore, in spite of the fact that Boris Nikolayevich forbade us to do that, we of course were working on it. I am not saying that we were doing work we were not allowed to do — it is a joke of course.

Therefore, already today we began implementing our program of preparations for the second round. It involves the continuation of some of the programs that we had for the first round. We will certainly have to change the concept of how we conduct our election program. We will probably attract new fresh forces to organize this work. We will also change something in the ways of canvassing. This is natural. In the past we would prepare the first round for four months. Now we have four weeks to do it.

[Kiselev] Viktor Vasiliyevich, currently everyone is discussing only one thing literally: How to win Lebed over to their side. By the way, your rivals, the communists, have been thinking about this, too. Various representatives of the Communist Party were proposing different options on television today: Let us offer Lebed the post of the prime minister, let us offer him other things. It reminds me of the marriage by proxy situation. Gennadiy Andreyevich has been making claims that Yavlinskiy, Lebed, Fedorov — they will all be members of his government. However, this is unimportant. What is your view of winning over to your side those of the candidates, whom you once described as pro-democratic candidates — Lebed and Yavlinskiy.

[Ilyushin] Yevgeniy Alekseyevich, this is one of the main questions at the initial stage of preparing for the run-off elections. Naturally, it is in our interest to win over to our side the maximum number of the voters who have cast their ballots for our supporters and who have turned into rivals in the first round due to various reasons. I do not know what kind of the meetings and with whom Gennadiy Andreyevich Zyuganov has had. But I can tell you quite definitely...

[Kiselev, interrupts] Not a single one in reality.

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[Ilyushin] There are different kinds of statements and it is difficult to follow them. Moreover, various leaders of the CPRF talk about different kinds of agreements with the former presidential candidates.

[Kiselev] Do you remember an instance of accords being actually entered into, the ones the communists have been talking about.

[Ilyushin] I do not. I cannot claim that I have all the information at my disposal, but I can tell you firmly that Boris Nikolayevich Yeltsin had a meeting with Aleksandr Ivanovich Lebed today.

[Kiselev] Yes, it was reported. Do you know what they talked about at that meeting? Incidentally, was it a meeting just between the two of them?

[Ilyushin] Yes, it was and, generally speaking, Boris Nikolayevich does tend to prefer such meetings, especially at this crucial time of tactical games, choosing supporters, defining interests, and satisfying mutual interests.

I cannot comment on Boris Nikolayevich conversation with Aleksandr Ivanovich Lebed because I was not present.

Naturally, I am aware of some aspects of the meeting, and I think it will be more correct and more ethical if we get to know these aspects in the course of the development of this process.

However, I think that we will be told in the next few days about some decisions or accords, and that we will witness these decisions.

[Kiselev] That is to say, in principle, and quite apart from the content of the meetings held today, you do think that it is possible that Aleksandr Ivanovich Lebed's appointment to some very high post in the state will be announced shortly.

[Ilyushin] I try, you know, to refrain from such comment because lately we have had rather too many people, unfortunately, who wanted to anticipate events and be the first to have the information right from the horse's mouth on the president's decisions. I prefer to talk about these things when the president has made his decision and made it public. I can only say that our candidate has had Aleksandr Ivanovich Lebed in his sights right from the start of the election campaign and we monitored him closely.

[Kiselev] Would you recommend to him to try and get Lebed on his side?

[Ilyushin] Naturally, naturally, and my colleagues, members of our analysis group, had daily meetings in the course of our preparations for the elections. Naturally, we really did scrutinize the data on the election day and Aleksandr Ivanovich has accomplished a magnificent feat and got stunning results.

[Kiselev] Yes, indeed. But what about Yavlinskiy? Will you and your analytical group advise Boris Nikolayevich to try to win him over too, to continue the talks which, as we know, took place before the first round?

[Ilyushin] Yevgeniy Alekseyevich, we do not see anybody among the supporters of reforms in Russia with whom dialogue will be superfluous or mutual interest should not be pursued. And I believe that there are possibilities for agreement. There is only one problem: The conditions set by them and whether or not they will be acceptable for Boris Nikolayevich. Depending on that, agreements will naturally be reached. I have to admit, unfortunately, that Grigoriy Alekseyevich Yavlinskiy is unlikely to have expected the result he received in the first round of voting.

[Kiselev] Nevertheless, there are two views, as it were, that one can do without the several percent gained by Yavlinskiy. After all, what are 7 percent, is it a lot or a negligible figure? They can become crucial, after all!

[Ilyushin] Yes, it is a considerable proportion of electors, those who voted for Grigoriy Alekseyevich Yavlinskiy, and it is naturally undesirable to neglect this large group of people. I repeat once again that everything will depend on the conditions set and whether any conditions will be set at all. Unfortunately, as you know, at their meeting before the first round Boris Nikolayevich and Grigoriy Alekseyevich failed to find a common ground. I think that Boris Nikolayevich was confronted with too unacceptable conditions.

[Kiselev] Well, Viktor Vasilyevich, there are different versions on this subjects. Some people say that Grigoriy Alekseyevich demanded only that he be given the prime ministerial post, while others say that he did not set such conditions at all and that he only mentioned the need for important dismissals, without asking anything for himself.

[Ilyushin] I believe that nobody but two people — Yeltsin and Yavlinskiy — can tell what took place exactly because they talked tete-a-tete.

[Kiselev] Without aides?

[Ilyushin] Yes, even without aides. That is why only these two people can confirm what they talked about. As for the rest, I do not think it can be 100 percent true.

[Kiselev] Tell me, in the presidential work schedule are there any plans to meet Zyuganov? This also cannot be ruled out as Gennadiy Andreyevich is probably thinking about what will happen to him if he is defeated.

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[Ilyushin] Yes, unfortunately, I agree that Gennadiy Andreyevich is probably unhappy about the outcome of the first round since he was defeated. In these circumstances he may have thoughts about possible meetings. Time will tell.

[Kiselev] For the time being there is nothing of the kind in the schedule?

[Ilyushin] For the time being there is no meeting in the president's schedule, but that does not mean that there cannot be one.

[Kiselev] Take debates, televised debates. Are televised debates possible when everything seems to be clear and only two candidates are remaining? Is there a possibility of a broadcast encounter, which Zyuganov is trying to get so persistently?

[Ilyushin] Yevgeniy Alekseyevich, here, I think, an aphorism is striking: Nikolay Svanidze used it in a program with Zyuganov. He asked the time, and Zyuganov answered: I have already had dinner. Thank you. You see...

[Kiselev, interrupts] I quoted it myself when our conversation with Gennadiy Andreyevich in this studio started to take a similar turn. I was also forced to quote this aphorism.

[Ilyushin] Well, Svanidze used a striking phrase then. Returning to your question, I would like to say that the positions of the two candidates — namely Yeltsin and Zyuganov — have been clearly defined, and their programs are known. But if they are to meet only to practice their eloquence, I, for one, do not know that Boris Nikolayevich has decided to take part in television debates.

[Kiselev] What about tours? The president had very many election trips. Will he now be touring the districts once again?

[Ilyushin] We imagine that Boris Nikolayevich will not travel around Russia as intensively as just before the first round because there are several major functions, including some international ones, which he ought to attend. But we hope that Boris Nikolayevich will gain supporters from among his former rivals, and that they will become involved in the work and may then make up for Boris Nikolayevich's lack of opportunities to travel around the Russian regions. Of course, it is necessary to travel. We found out that Boris Nikolayevich's trips just before the first round had quite a substantial effect.

[Kiselev] Perhaps with the exception of Bashkortostan, where there was a meeting. Well, I remember the pictures that we received from there. The meeting was very ceremonious and triumphalist, yet the results turned out to be not the best for the president.

[Ilyushin] If the zeal of the top leaders, with which they demonstrated their amicability to Boris Nikolayevich, had been transformed into percentage points, that would have been absolutely marvelous. But, as experience shows, as well as the results of the voting in the first round, they do not always match up. There are impressive people, concert programs, a large number of people in the street, but then the voters come to the ballot boxes and vote as they think fit. That is very important, and we have to take account of that.

[Kiselev] Yes, one cannot help noticing that, let us say, the results of the voting, region by region, turned out to be most paradoxical. Let us take Nazdratenko in the Primorye. The press depicted him as a totally anti-democratic leader — at least, part of our Russian press, from among those that represent everything as black and white. But it turned out that, in a very difficult region, Boris Nikolayevich won there, in the Primorye, after all.

At the same time, in North Ossetia, headed by Akhsarbek Galazov, who has always been depicted as the president's staunchest supporter in the North Caucasian region, the Communists have won. So there appears to be serious problems in work with the regions.

[Ilyushin] You know, while preparing for the first round we tried to clarify the attitude of individual leaders to our candidate, that was one of our tasks, naturally. But it was not our goal to make everybody work for our candidate. It would have been unrealistic and unnatural. But we needed a clear picture of the position taken by individual leaders. True, there are many surprising results. Two months ago I visited an enterprise in Vladivostok. I must admit frankly that I was so exhausted after a two-hour conversation with engineers and technicians there that the results from Maritime Territory have exceeded all my expectations. This simply confirms once again that people are following closely the developments in our country, they are very sensitive to the problems in our economy, and it is far from always that the heads of constituent parts of the Federation have significant influence on their citizens as regards voting patterns, at least.

[Kiselev] Well, and generally speaking, after each election we get yet another confirmation of the fact that our people is much wiser than some would like us to believe.

[Ilyushin] Absolutely correct, and these elections is yet another proof.

[Kiselev] Viktor Vasilyevich, here is my last question, as we have literally 90 seconds before the end of the pro-

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gram. In your view, after the second round of elections, after Yeltsin's victory, will there be serious changes in his team? There has been a lot of contradictory conjectures on this subject of late.

[Ilyushin] Yes, and there is a great deal of comment on this.

[Kiselev] Well, Anatoliy Chubays said that reformers will return into the government and allegedly the president's rating took a dive immediately, there was such a report that has not been confirmed.

[Ilyushin] I would not like to comment on what Chubays said. I will express my own position. I think that Boris Nikolayevich's team, his retinue, should not have irreplaceable people in it, people who cannot be shifted, if the main task, that is to say the interests of the cause, dictate so.

If the president thinks it is necessary and possible to replace any employee in the presidential administration or a member of the government, I think it is the president's right, an inalienable right of his, because the main thing is the cause.

[Kiselev] Well Viktor Vasilyevich, thank you very much for your answers. Let me remind you that we were going out live and we had in our studio one of the leaders of President Yeltsin's election team and his first aide, Viktor Vasilyevich Ilyushin. Let me also recall that the president won the first round with 35 percent of the vote and the second round of elections is yet to come. Evidently this subject will predominate over the next two or three weeks, so watch our news bulletins on our NTV channel.

Our next "Hero of the Day" 'cast will be put out at its usual time of 1935 tomorrow.

Russia: Text of Zyuganov Statement on First Round Results

MM1806102396 Moscow SOVETSKAYA ROSSIYA in Russian 18 Jun 96 p 1

["Statement by Gennadiy Zyuganov, Presidential Candidate from the Bloc of People's Patriotic Forces: 'Not To Divide, But To Unite'"]

[FBIS Translated Text] Dear compatriots!

The first round of the Russian presidential election is over. I am sincerely pleased at the people's active participation in the vote, which confirms that our people are not indifferent to the fate of the fatherland and wish it well. I am sincerely grateful to everyone who supported my candidacy despite the unprecedented antipatriotic hysteria and the media assault on the people's awareness.

I am proud of my compatriots, who have once again shown their adherence to common sense and have proved that it is impossible to manipulate their will and conscience.

Irrespective of the final results of the election, they will confirm that the recovery of Russian society has begun and that it will only accept a leader who will promote this recovery rather than hinder it. It is immoral to try to hold on to power at any price. You can win power but lose Russia.

Any politician who reckons on the division and polarization of society, who sets one section of the people against another, and who does not take the opinions and moods of the majority into account, is not capable of ridding the country of chaos, trouble, poverty, and deprivation, and will only exacerbate misfortune.

Society must not be intimidated by the idea of our coming to power. We have never left public and political life during these difficult years, we have been with the people. Whether "White," "Red," Russian, non-Russian, "new," "old," Communist, or democrat — we are all children of Russia.

Today is not the time to divide Russia — it is time to unite it. Enough of thinking about the past, enough of hanging about in the present, we need to move forward — into the future. We call on A. Lebed, S. Fedorov, S. Govorukhin, S. Glazyev, all of Russia's devoted sons who are suffering for Russia, to pool efforts with the bloc of people's patriotic forces before the second round of the presidential election.

Irrespective of views, beliefs, social position, profession, religion, and ethnic affiliation, we are all united in one thing — without a strong Russia, without a strong, just state, there can be no peace, nationwide accord, material well-being, or spiritual peace. It is only by extending a hand to each other, displaying tolerance, and pooling efforts and possibilities that we can build a great fatherland which will occupy a worthy place among the peoples of the world.

Today is not the time to look for enemies, it is time to find and gather friends and allies. In the name of the common future, common labor, and enormous tasks, we must understand and forgive each other and enter into dialogue. No matter how much we may differ from each other, we all have common problems, and we cannot move forward toward creation if these are not resolved. To reestablish domestic production and breathe new life into plants and farms. To smash crime and suppress corruption, protect the poor and destitute. To revive national spirituality — science, culture, art, and faith.

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A great many words and unfulfillable promises have been uttered. It is time to move on from words to action. We will take what is most worthy and radiant from the near and distant past and from the present into the future. We will channel our efforts into achieving justice and goodness. In these daily efforts, all who are prepared to create in the name of Russia, the motherland, and the people, will find themselves.

Our aim is a great and rich country and happy, healthy, secure, and free people. Our ideal is peace and general prosperity, legality, order, accord, and comfortable circumstances for everyone.

We all form a single organism, and every person is a necessary and valuable part of this organism, irrespective of political partiality, ideological beliefs, and religion.

No matter who wins in the second round of the election, may you, my compatriots, have happiness, prosperity, peace, and accord.

[Signed] Gennadiy Zyuganov

Russia: Zyuganov Says Premier Post Not Offered To Anyone Yet

LD1706200796 Moscow 2x2 Television in Russian 1900 GMT 17 Jun 96

[FBIS Translated Text] Gennadiy Zyuganov's election headquarters tomorrow plans to discuss strategy for the second round of the elections. The main contender to the presidential post from the forces of the Left said that the communists are planning to hold consultations with all the presidential candidates who won over one percent of the vote. Aleksandr Lebed, who confidently won third place in the majority of the regions, may become a key figure at these talks.

Mikhail Lapshin, the leader of the Agrarian Party and Zuganov's major ally, today did not rule out that the communists may offer Lebed the post of prime minister in a future government. [passage indistinct]

However, Gennadiy Zyuganov was restrained in his assessment of this possibility.

[Begin Zyuganov recording] As regards the post of prime minister, we have not offered it yet to anyone. We will hold comprehensive consultations with Lebed on all the issues connected with the second round. [end recording]

At the same time, Zyuganov noted that it is unlikely that all those who voted for Lebed will vote for the incumbent president in the second round if Lebed supports him.

[Begin Zyuganov recording] Any attempt on his part to link himself with the present authority will mean a serious political defeat for him. I am absolutely sure that the overwhelming majority of his electorate — those who voted for him — will not support such an approach. [end recording]

Nevertheless, it is already known that Aleksandr Lebed will hold talks with Boris Yeltsin's election headquarters and will possibly side with him.

Russia: Lebed Refuses To Comment on Meeting With Yeltsin

LD1706135596 Moscow INTERFAX in English 1333 GMT 17 Jun 96

[FBIS Transcribed Text] MOSCOW, June 17 (Interfax) — Russian incumbent President Boris Yeltsin has held a meeting behind closed doors with General Aleksandr Lebed, who made a strong showing to come in third in Sunday's vote, but no details have been released.

Lebed "flatly refused to comment on the meeting," sources in Lebed's entourage told Interfax. They only said that the two men had discussed the political situation in the country.

Lebed will have a meeting with Communist leader Gennadiy Zyuganov in the next few days, a source in Lebed's entourage told Interfax.

Russia: Observer Says Lebed 'Only Winner' in First Round

MM1806085396 Moscow KOMSOMOLSKAYA PRAVDA in Russian 18 Jun 96 p 1

[Article by political observer Pavel Voshchanov: "Our Election Torment Is Not Over. Yeltsin-Zyuganov: Unstable Equilibrium. Lebed-Hunting Season Begins"]

[FBIS Translated Text] Nothing unexpected happened. Although Yeltsin and Zyuganov had publicly talked of the possibility of outright victory in the first round, nobody believed in this. In fact, one of our political forecasts was borne out: The presidential elections would reveal the ideological split in Russian society. Supporters of "yesterday's men" are balanced by supporters of the "present bunch" in society. So whoever wins the second round, we will not be experiencing the calmest of times. This is perhaps the most important conclusion to be drawn from what has happened.

Another conclusion is that hopes of extremely high voter turnout were not vindicated. Over the next few days we are going to hear a lot of talk about the reasons: the dacha season, the rainy weather, the defeat of the Russian soccer team.... Nevertheless, the main point is

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that many people could not see any candidate they found acceptable. The gamble on "If not...then..." was not vindicated. This was particularly painful for Yeltsin. His fight for young voters has so far proved ineffective — they simply did not turn out to vote. The "Variety Stars Have Made Their Choice" show made plenty of money for someone, but did not result in votes for the current president. I would suppose that during the second round the situation with regard to turnout will be even worse, and all the indications are that this is to the advantage of Zyuganov's voters.

The equilibrium between Yeltsin and Zyuganov is unstable. It could easily be upset by the rebellious general — essentially the only winner of the first round. A "Lebed hunt" is going to be taking place behind the political scenes over the next few days. He has only two options: support one of the candidates or maintain at least a semblance of neutrality. The former will certainly lead to preferment. The latter may leader to the presidency, but in four years' time. It is the old problem: a bird in the hand versus a bird in the bush.

Another prediction we made a couple of months ago can be mentioned as a fait accompli: Political demobilization awaits Yavlinskiy and Zhirinovskiy as a result of the elections. They may work for a while yet "on the back benches" in the Duma, but they will no longer be able to stop the erosion in the ranks of their supporters. Unprincipled Russian politicians like promising and lucky leaders, and there is nothing to be gained from following people who are "on the way out." So a motley procession of admirers will begin mostly mobbing the general in the very near future.

The situation with regard to the votes of the candidates who have now been knocked out is not all that simple. You can argue who will get these votes, but there are no guarantees. This will prompt the campaign headquarters to seek new, unorthodox decisions. Both Yeltsin and Zyuganov will certainly set their associates this task. But neither side is likely to be able to resolve it, since almost all the reserves have been used. Everything that could have been used as a bogey has been. Everything that could have been promised has been. Everything that could have been used to entertain has been.

What can be said right now? The second round will go ahead. Given the result on Sunday, no one will dare cancel or postpone it. The contenders will become more faceless. Yeltsin has a bit more chance of winning new votes, Zyuganov of holding on to the ones he has won already. The loser will be whoever learns of the results of the first round and believes he is going to win.

Russia: Yavlinskiy Praises Election Support From Regions

LD1706182196 Moscow INTERFAX in English 1801 GMT 17 Jun 96

[FBIS Transcribed Text] MOSCOW, June 17 (Interfax) — The democratic opposition movement proved its political and organizational capabilities at the June 16 presidential elections in Russia, Grigoriy Yavlinskiy, Yabloko movement leader and a presidential candidate who did not qualify for the second round of the elections, told INTERFAX on Monday [17 June].

"Due to the work that was well done, [the democratic opposition] managed to receive far greater support [at the presidential elections] in a number of Russian regions than in 1993 and 1995," he said.

Yavlinskiy praised the election results in St. Petersburg where he came in second, in the Novosibirsk and Kamchatka regions and in the internal Russian republic of Ingushetia where he ran third. He also praised the election returns in the Arkhangelsk and Tomsk regions, in the internal Russian republics of Karelia and Komi, and in the Krasnoyarsk and Khabarovsk territories.

During the election campaign the authorities "provided considerable support to [Communist Party leader] Gennadiy Zyuganov, [retired General] Aleksandr Lebed and [Liberal Democratic Party of Russia leader] Vladimir Zhirinovskiy, whom they purposefully promoted," Yavlinskiy said.

"However, despite immense pressure on our voters organized at a truly nationwide level we managed to push back Zhirinovskiy," Yavlinskiy said.

Yavlinskiy said that after June 16 he would "most seriously deal with enlarging his social support base."

"The election results obviously prove that the demand within society for changing 'today' without returning to 'yesterday' is very high," he said.

Russia: Yeltsin Proposes 3 Jul for Second Round of Elections

LD1706163296 Moscow ITAR-TASS in English 1626 GMT 17 Jun 96

[FBIS Transcribed Text] MOSCOW, June 17 (Itar-Tass) — Russian President Boris Yeltsin asked the State Duma on Monday to announce July 3 a day off to hold the second round of presidential elections, the presidential press service said.

Earlier today, Russian Prime Minister Viktor Chernomyrdin said Yeltsin intended to make such a proposal to the Duma.

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Russia: Yeltsin Said To Have More Chance in Runoffs Than Zyuganov

LD1706194996 Moscow ITAR-TASS in English 1935 GMT 17 Jun 96

[By Tamara Ivanova and Andrey Surzhanskiy]

[FBIS Transcribed Text] MOSCOW, June 17 (Itar-Tass) — Russian President Boris Yeltsin has more chances to win the support of the electorate of General Aleksandr Lebed, Yabloko leader Grigoriy Yavlinskiy and eye-surgeon Svyatoslav Fedorov than Russian Communist Party leader Gennadiy Zyuganov, high-ranking officials said.

Vyacheslav Nikonov and Sergey Filatov, the leaders of the public movement in support of Russian President Boris Yeltsin's reelection, said at a press conference on Monday that the president may begin consultations with these candidates today.

Filatov stressed that this is not "political bargaining," adding that all decisions concerning new appointments will be made by the president only when he begins to form a new government.

At the same time, he confirmed that these people should be actively engaged in the government.

Speaking about Lebed, Nikonov noted that "this is a rather new phenomenon in Russian politics."

Pointing out that a good deal of his electorate consists of people who reject communism, Nikonov said that Lebed also managed to capture a considerable part of the electorate of the so-called "Third Force."

He stressed that the results of the first round of presidential elections was a success of Russia's democracy.

According to preliminary information, all pro-reform democratic candidates collected together 58-59 percent of the vote.

"Marginal national-socialism" is withdrawing from Russia's political life and (Liberal Democratic Party leader) Vladimir Zhirinovskiy's political star is going down, Nikonov said.

He believes that Zhirinovskiy will continue to be a factor in Russian politics, but no longer an important factor.

Touching upon the problem of ensuring a higher turnout in the second round, Nikonov said that with a 70 percent turnout Zyuganov will have no chance of winning the run-off elections.

Yeltsin still has a reserve for earning more votes while Zyuganov has already earned all the votes he could, he added.

Russia: Shokhin, Filatov View Possible Second Round Alignments

MM1706145996 Moscow IZVESTIYA in Russian 18 Jun 96 p 2

[Report "prepared by V. Vyzhutovich, S. Galkina, S. Kiselev, K. Svetitskiy, G. Stepanov, A. Stepovoy, and S. Chugayev using ITAR-TASS and INTERFAX materials": "Team Games in the Presidential Field. A Night in Shades of Red and Blue"]

[FBIS Translated Excerpt] [passage omitted] At the All-Russia Movement for Public Support for President Boris Yeltsin press center, which is housed in the same building as ITAR-TASS, journalists were fed for free. The canteen food — salad, soup, and steak — did not cost a penny. The information "hard tack," issued every hour starting from 1400 hours, was initially rated as "standard canteen fare" that was not worth any more than that. [passage omitted]

It was not until 2230 hours that Georgiy Satarov, the president's aide, announced that according to the preliminary voting results in Siberia and the Far East, Yeltsin had a small lead over Zyuganov.

Members of the president's team commented on Lebed's sensational success with obvious satisfaction. When an IZVESTIYA observer asked what prospects this success offers Boris Yeltsin in round two, Duma Vice Speaker Aleksandr Shokhin replied:

"We were expecting this result. In the past month many financial structures backed away from Zyuganov and went over to Lebed. They were banking on a candidate who will probably enter a government coalition. I believe that by round two there will be two pairs of allies: Yeltsin-Lebed and Zyuganov-Zhirinovskiy. It is more complex with Yavlinskiy. If he feels that Yeltsin is still leading he may finally decide to join the democratic opposition. But if Zyuganov has a better chance of victory Yavlinskiy will hardly want to bring that victory nearer by entering into an alliance with Boris Yeltsin." [passage omitted]

The Morning of the 17th...

Commenting on the preliminary election results for IZVESTIYA, Sergey Filatov, chairman of the All-Russia Movement for Public Support for President Boris Yeltsin coordinating committee, noted that it was easy to predict that a second round would be inevitable. "If it had been possible to create a coalition," he said, "there would have been a realistic chance of a victory right now. But it is very significant that it has not gone to Zyuganov. The other candidates have a stance which could unite with the president's stance. This will make it

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possible to look to them for support. Finally it is obvious that Lebed is a prominent political figure bearing in mind his position and moral principles. I believe that an alliance between us and him is most feasible." [passage omitted]

Well-informed circles do not rule out that in the near future B. Yeltsin will hold consultations with those Russian Federation presidential contenders who adhere to a reform policy. The sources do not rule out either that very soon the president could make a number of changes to the composition of the government. They believe in particular that the contender who, according to the preliminary estimates, will come third in round one — General Aleksandr Lebed — could be offered the post of first vice premier responsible for the power structures in the government.

Russia: 'Third Force' Voters Seen Crucial to Second Round

MM1806085296 Moscow ROSSIYSKIYE VESTI in Russian 18 Jun 96 p 2

[Article by Lyubov Tsukanova: "Second Round Against Backdrop of 'Third Force'"]

[FBIS Translated Text] Russia is getting used to elections. The enthralling sideshow of the last days before the elections, astonishing as it may seem, turned into a pretty sedate event on voting day and the night that followed. At the Central Electoral Commission Federal Information Center, where several hundred accredited journalists spent all night waiting for sensations, virtually the most appreciable event was the noisy appearance of Mr. Zhirinovskiy. It seems, however, that his star has finally set: Met by hundreds of television cameras at the entrance to the Parliamentary Center, within an hour and a half of the preliminary results being announced he left it accompanied only by his bodyguards, and the enormous bouquet of roses which had been prepared trailed along behind him like a sheaf of corn. For the first time as far as Zhirinovskiy is concerned, the sociological predictions proved close to the truth: Vladimir Volfovich scored around 6 percent and took fifth place, allowing himself to be passed by both Aleksandr Lebed and Grigoriy Yavlinskiy.

Russia has never yet voted as seriously as it did on 16 June. And it has probably never been so relaxed when watching the vote count. The candidates' representatives who came to the Federal Information Center behaved in an unusually restrained manner. It is impossible to shake off the feeling that the members of the campaign staffs of not only Yeltsin and Zyuganov but also of all the other candidates were mainly watching the drama of the contest between the "Yeltsin" and "Zyuganov" percentages on the display screen. And only when the figures stabilized and it became clear that Boris Yeltsin was leading by a small margin did attention switch to those who, under the pseudonym "third force," excited our imaginations for so long during the months before the elections. The political analysts making scary claims that the real third force in Russia was not Lebed-Yavlinskiy-Fedorov-Gorbachev but Zhirinovskiy proved wrong, strange as it may seem. The fact that they got it wrong is gratifying: If you total up the votes which our fellow citizens cast for candidates with a noncommunist orientation (not counting Boris Yeltsin) it transpires that Zhirinovskiy supporters rank only fifth here while the remainder (24 percent of all the voters who voted) are supporters of reform. And so, while lacking real strength, this "force" could still have a substantial influence on the outcome of the second round of voting.

In what way? First, the Yavlinskiy-Lebed electorate, unless people work with it, might simply ignore the second round of voting or vote "against everybody." Second, political analysts and sociologists are not clear about Aleksandr Lebed's constituency: Dmitriy Oreshkin, chief analyst with the Central Electoral Commission Federal Information Center, considers that Aleksandr Ivanovich took some votes from everybody — Yeltsin, Zyuganov, Zhirinovskiy, and Yavlinskiy alike. It is therefore necessary to work with his electorate very selectively and extremely carefully.

Thus the answers to several questions at once need to be found today. Does the president's armory contain instruments which can exert a sufficiently delicate and at the same time precise influence on Lebed's and Yavlinskiy's electorate? It would appear that this is so and that he will make use of them. The next point is whether Lebed and Yavlinskiy have sufficient influence over their voters. The answer to this question is not obvious in Russia's conditions. Finally, are these leaders' electorates themselves mature enough, that is, do they have sufficient proof that political rejectionism [fronderstvo] — given the minimal gap between Yeltsin and Zyuganov — in the second round could bring the country to the brink of disaster?

All those who do not want a restoration of the old order have three weeks at most to wait for the answers to these questions.

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Russia: Yabloko To 'Most Probably' Back Yeltsin in Second Round

LD1706115396 Moscow ITAR-TASS in English 1132 GMT 17 Jun 96

[By Igor Zhukov]

[FBIS Transcribed Text] MOSCOW, June 17 (Itar-Tass) — "The Yabloko Socio-Political Movement will most probably back Yeltsin's candidature during the second round of the presidential elections," Itar-Tass was told here today by vice-leader of the Yabloko faction in the State Duma Aleksey Zakharov. "At the present stage, when we are to choose between the past and the future, our Yabloko will choose the future," he stressed.

At the same time, Zakharov said, Yabloko will confront Yeltsin with some conditions, calling for the correction of his present course. One of the principal conditions will be to rectify the economic policy, immediately stop the confrontation in Chechnya, reshuffle the Defence Ministry and possibly the government, too.

Zakharov also said that a Yabloko Congress would be convened on June 22 to decide the movement's strategic tasks in light of the results of the first round of the presidential elections.

Russia: Electoral Commission Appeals for Funds To Hold Runoff

LD1806053096 Moscow Mayak Radio Network in Russian 0240 GMT 18 Jun 96

[FBIS Translated Text] The Central Electoral Commission has appealed to Viktor Chernomyrdin, asking for funds to be allocated urgently so that the second round of the election can go ahead.

The Central Electoral Commission is strapped for cash because only 40 percent of the required funds has been transferred to its account. As much as 850 billion rubles is needed to pay off the election debt — a rather impressive figure, I must say.

Russia: Chernomyrdin Interviewed on Presidential Elections

LD1706200596 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 17 Jun 96

[Report on interview with Russian Prime Minister Viktor Chernomyrdin by correspondent Igor Gmyza on 17 June; place not given — from the "Vremya" newscast]

[FBIS Translated Text] [Gmyza] This afternoon, Viktor Chernomyrdin, head of the government, who spent all night watching the progress of the elections, gave an interview to "Vremya:"

[Begin recording] [Gmyza] Viktor Stepanovich, what is your reaction to the results of the first round of the elections?

[Chernomyrdin] I think the results... [pauses] Well, of course, I would have liked them to be better. I would have liked the president to be elected in the first round. I make no secret of that. I have said that. But, given all the circumstances, I am very glad that other forecasts that people tried to frighten us with have not been confirmed — that the elections might not take place, that the leadership, the authorities today would do all they could to postpone the elections, that there would be some factor, that... [pauses] Not to mention those cases in which it was said there would be ballot-rigging. It was all just talk. I have already said, but I should like to say it once more, it is a case of the pot calling the kettle black, as they say. The same applies here too. A great deal depends on how the people of Russia come to the second round. It is very important, very important.

I would like to take this opportunity to say that no one should be on the sidelines. We are electing the president. In effect, we are choosing our destiny. I hope very much that our young people too, for whom all this has been arranged, will not be on the sidelines. I hope very much that the next round, which will be held in the near future... [pauses] I think the people of Russia will react well.

Tomorrow, Boris Nikolayevich, the president, will submit a draft law to the State Duma to make 3 July a holiday. We hope the Duma will support it and the second round of the presidential elections will take place on that day. Let us hope the elections will be held with no apathy, with no apathy. We need to have a president quickly, so he can get down to work quickly. [end recording]

[Gmyza] The Central Electoral Commission is continuing to count votes after the first round of the elections. Even yesterday it became clear we are expected to vote again. The second round of elections, as world experience shows, is more difficult and tortuous both for politicians and voters. Second rounds usually take place against the background of a lower turnout and election fatigue among voters. It is clear even now that the fight for votes will be very tough and the candidates will be fighting for the votes of those politicians who have overcome the 1 percent threshold in the first round. In this respect, the figure of Aleksandr Lebed is most important. He holds a strong and honorable, albeit not a prize winning, third place.

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[Begin recording] [Gmyza] Viktor Stepanovich, did the leap of Aleksandr Lebed come as a surprise to you, the government, and the president's headquarters? He received double the number of votes forecast.

[Chernomyrdin] You know, he has indeed gained so many votes in the last few weeks. And you know, I think, many have put their trust in him — first, because he is a new man and second, because he is Russian. Let me be blunt about this. This is why many have developed a liking for him, because of directness, honesty, and frankness. He does not try to wriggle out of difficult questions. What can I say? People like this should run, too. It is very important, very important. I think these are the features that have allowed him to gain. If he keeps on the same track, I think, his prospects will not be bad. Let us hope that in Russia there is yet another politician.

[Gmyza] Viktor Stepanovich, what do you mean by prospects?

[Chernomyrdin] I mean everything [laughs]. You know in our country everybody thinks there are only two posts for politicians: those of president and prime minister. Well, posts of Duma and Federation Council chairmen may also be considered as second best. It seems as if there are no other posts. That is not true. There are many power-wielding structures in the country. There are jobs to do. There is an enormous amount of work. I have had many meetings with hopeful leaders, including some of those running in today's elections. I did invite them to work with me, but when they begin to criticize various decisions and practices, then I immediately have a question for them: Since you know what should not be done, surely you know what is to be done. So, come, sit down next to me and we will work at any level. Why do they necessarily have to wait for the presidency or some other important post in order to do good for this nation. What sort of benefactors are they? People have to wait for years until they arrive. But then the question is whether they will cope. If you want to help and resolve problems, come and tell us your thoughts about how they can be resolved. Unfortunately, they have no such wish. They want power, you see! Power seems to be a panacea for them. They think that coming to power just means issuing orders — nothing of the kind, nothing of the kind. This is gigantic and difficult work. Therefore, I can tell you once more that I welcome the idea of professionals being able to fulfill themselves, to make proposals, and to try things out. But please do not play the waiting game! There is nothing to wait for.

[Gmyza] Thank you, Viktor Stepanovich. [end recording]

Russia: Peasant Voters Praised for 'Soundness'

MM1706185996 Moscow SELSKAYA ZHIZN in Russian 18 Jun 96 p 1

[Article by Political Observer Aleksandr Bykovskiy under the "View of Events: From Tuesday to Tuesday" rubric: "A. Lebed's Supporters Will Determine the Outcome of the Election"]

[FBIS Translated Text] So the election has taken place. As many analysts thought, none of the presidential candidates managed to secure a decisive majority. All the indications are that there will be a second round entered by B. Yeltsin and G. Zyuganov.

It is very hard to make any far-reaching conclusions right after an event. Nevertheless I will be so bold as to state that the main sensation of the first round was that the election actually took place.

To their credit, Russians remained calm and composed during these very alarming June days, thus making it clear to all the politicians that the most complex issues of Russia's internal political life can and should be settled exclusively by peaceful methods. And the author of this article also sees this as one of the main conclusions of this vote.

I am writing these lines at a time when the definite results of the first round are not yet known. But no matter what they are, even today it can be said confidently that G. Zyuganov, the presidential candidate from the people's-patriotic forces, has achieved a great success. In the face of a practically complete information blockade, he managed to achieve a great deal. He would have achieved more if it had not been for the irresponsible statements made in the past few days by a few hotheads on the extreme left, for example V. Anpilov's statements about the Communists' being ready to give every banker a broom if they win.

The steady growth in the Communists' prestige in the past few months shows that an increasing number of Russians are inclined to believe that the current reforms should bend to meet the needs of the honest worker and ease his life, rather than bringing him new ordeals. Incidentally, the current president also started talking about this increasingly frequently, to one degree or another, as the election approached.

The definitive results of the first round will show how far the president will go in his cadre renewal. If the gap between him and G. Zyuganov is small, then no doubt the political future of current government premier V. Chernomyrdin will be very much called into question. If not, then matters will be restricted to purely cosmetic changes.

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The first round of the election has also shown that a new star has appeared in the political sky — the star of A. Lebed, who has become very popular recently. Russians will soon be finding out whose version of the truth the retired general intends to support. In any case, the president's analysts are really counting on the idea that an alliance will take shape between B. Yeltsin and A. Lebed before the second round of the election. However, even now the major commercial structures which invested a lot of money before the first round in the very colorful — both in word and in deed — figure of the general are quite content. This is because they have geared themselves not to one but to several promising politicians. And now, even though he has lost in the first round, all the indications are that A. Lebed has entered big-time politics for a long time to come.

In a certain sense the outcome of the second round of the election will be determined by A. Lebed's supporters, who are now faced with the task of making a choice. The main excitement of the next few days hinges on that choice. One would like to believe that this choice will be responsible and aware. Russians have already made enough mistakes in their political idols. First of all they put them on a pedestal, then they bring them crashing down to earth.

However, this does not apply in any way to rural inhabitants. They displayed a high degree of civic awareness in the voting that has taken place, and were able to distinguish the political chatterboxes and demagogues once again. They will distinguish them in the second round as well, particularly since the election struggle is only just beginning. But for the time being, let us note that, according to preliminary information, G. Zyuganov has definitely won against B. Yeltsin in Smolensk Oblast, for example, in Voronezh, Lipetsk, Penza, Ulyanovsk, and Novosibirsk Oblasts, and in Stavropol and Tatarstan, that is, the regions where the rural inhabitants have always been noted for their high level of political activeness. And it is Russia's great fortune that it has such sensible peasants, whose honesty, soundness, and tranquility have helped our fatherland during these troubled years both in terms of avoiding civil war and instilling in the uneasy hearts of our fellow citizens a hope for a happy future.

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CIS: ITAR-TASS Carries Press Review for 18 June

LD1806082796 Moscow ITAR-TASS in English 0548 GMT 18 Jun 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW June 18 (Itar-Tass) — Follows a review of Tuesday's Moscow-based Russian newspapers dated June 18.

The press continues lively to comment on the results of the first round of Russia's presidential elections. Most newspapers, both Centrist and Leftist, limit themselves mainly to reports from the Central Electoral Commission about the polling process proper and to the publication of percentages of votes cast for this or that candidate.

IZVESTIYA points out that the first round of the presidential elections has confirmed the thesis that for three years now, ever since the April referendum of 1993, the striking mobility of personal preferences combine with a similarly astonishing stability of the voters' opinions about the main issue — they do not wish a change of the road chosen by Russia in recent years.

Claims lodged with the authorities change, just as the line-up of political leaders at the top, but the number of advocates of a reversion to the past does not exceed 30-40 per cent.

KOMSOMOLSKAYA PRAVDA on the unstable balance between Boris Yeltsin and Gennadiy Zyuganov.

"This balance may be easily upset by General Lebed, who is, in point of fact, the only winner in the first round. Lebed is faced with the following choice: either to back one of the candidates or keep if only the semblance of neutrality. The former road is sure to lead to the top echelon while the latter, possibly, to the presidency but only in four years' time. The long-standing problem: a bird in the hand is worth two in the bush".

RABOCHAYA TRIBUNA carries an interview with Valentin Kovalev, Minister of Justice and member of Russia's Security Council.

"For the first time in the history of the Ministry, we have been given a special right, in keeping with wich the Minister of Justice is empowered to make reports to the Head of State or the government on the institution of proceedings against officials who fail to comply with the requirements of the current legislation, Presidential decrees and Government resolutions," Kovalev said.

Touching upon the talk about the abolition of death penalty, the Minister pointed out as follows: "The Russian Federation's entry into the Council of Europe place substantional obligation on us, as regards the abolition of death penalty as well. Conceptually, we are against death penalty. However, in the present conditions, it would be imprudent and, moreover, immoral with regard to the sufferers to abolish death penalty immediately".

ROSSIYSKAYA GAZETA examines the provisions of the Russian Federation's new Criminal Code, which takes effect on January 1, 1997.

Vladimir Kudryavtsev, Vice-President of the Russian Academy of Sciences, comments on the document. His opinion is that "the CE requirements for the abolition of death penalty do not at all mean that we should meet them already this year. We ourselves intend to make headaway in this respect. The best illustration of that is provided with the recent Presidential Decree on reduction in the number of articles envisaging the application of death penalty so as to renounce it in due course altogether. But the public opinion should be prepared for that. One must act in a well-considered manner, not rashly".

SOVETSKAYA ROSSIYA carries an interview with Konstantin Borovoy, leader of the Economic Freedom Party, who discusses the first round of the presidential elections, presidential candidates, and the election runoff.

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Russia: Yeltsin To Attend G-7 Summit in Lyon

LD1806104896 Moscow INTERFAX in English 1027 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — President Boris Yeltsin will attend the G-7 summit to be held in Lyon despite being very busy with domestic affairs in connection with preparations for the second round of presidential elections, a well-informed source in Moscow told Interfax on Tuesday.

According to him, a Russian delegation is planning to leave for the French city of Lyon on June 28th and stay there till June 29th.

"In other words, President Yeltsin and his team will arrive there on the second day of the summit, which begins on June 27th. The summit in Lyon differs from the previous summit held in Halifax (Canada): Russia, whose participation will be greater, will discuss on equitable terms not only global political, but also some economic problems," the source said.

In fact, the source said, the Lyon summit will be a milestone on the road of transforming the G-7 into a full-scale G-8. "It can even be said that Lyon will host a summit of G-9, not G-7 or even G-8, since the leadership of the European Union has been invited to it," he said.

Russia: Yeltsin, Chirac Discuss G-8 Summit by Telephone

LD1706165196 Moscow INTERFAX in English 1641 GMT 17 Jun 96

[FBIS Transcribed Text] MOSCOW, June 17 (Interfax) — The Russian and French presidents, Boris Yeltsin and Jacques Chirac, tonight spoke together by telephone to consider preparations for the summit of the "Group of Eight" in Lyon, France, set for late June, Yeltsin's press service said.

Russia: Grachev Meets NATO Defense Ministers in Brussels

LD1406121596 Moscow ITAR-TASS in English 1157 GMT 14 Jun 96

[By Aleksandr Mineyev]

[FBIS Transcribed Text] BRUSSELS, June 14 (Itar-Tass) — Russian Defence Minister Pavel Grachev today met his American counterpart William Perry at the NATO Headquarters here. He also attended a meeting with NATO defence ministers in keeping with the "16 plus 1" formula. The sides discussed cooperation between Russia and NATO within the frameworks of the "Partnership for Peace" programme and promotion of relations between them outside the programme. Discussed also was Russia's participation in the NATO-directed Peace Implementation Operation in Bosnia.

Grachev arrived here to attend a regular meeting of the North Atlantic Cooperation Council at the level of defence ministers.

Russia: Grachev Reaffirms Russian Opposition to NATO Expansion

MM1806093996 Moscow TRUD in Russian 18 Jun 96 p 4

[Report by Nikita Shevtsov: "NATO Undergoing Renewal and...Expansion"]

[FBIS Translated Text] Brussels — For the first time in the last 30 years a French defense minister took part in the session of NATO countries' defense ministers, held a few days ago in Brussels. Let us remind readers that three decades ago General De Gaulle pulled France out of the alliance's military organization. Now it can be said that France has returned. To a certain extent, this reflects certain changes occurring within NATO's structures.

One of the results of the meeting of the heads of the 16 states' military departments was the adoption in general outline of the concept of multinational tactical forces which would be deployed when needed in trouble spots.

The main point, however, was the adoption of a decision to create within NATO a structure which, when needed, could be used under the Western European Union [WEU]. A European defense component will be formed within the alliance, which would enable NATO's European member countries to operate without the involvement of U.S. ground forces. At the same time, this does away with the need for the WEU to create its own forces. France itself was one of the main proponents of this idea, which explains the presence of Charles Millon, head of its military department, in the Belgian capital. All this enhances the European emphasis in NATO.

Bit whereas certain changes are occurring within NATO, the Brussels meeting also showed that this organization's stance remains unchanged as regards its further expansion. "We confirm," the final document notes, "our desire to open the alliance for entry by new members."

Russia is against such an expansion, and this was reaffirmed by Defense Minister P. Grachev who arrived in Brussels to take part in the North Atlantic Cooperation Council session. The Russian side believes that NATO's expansion could lead to a fresh geopolitical split in Europe. At the same time the Russian Federation does not

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reject cooperation with this organization. This can be seen in particular in the proposals, submitted by the Russian minister, to create under NATO's Supreme Allied Commander, Europe and under NATO's regional commands communications groups which would include Russian military. At the same time, Moscow is ready to welcome NATO representatives. Furthermore, it was emphasized, our country is prepared to submit fresh initiatives aimed at bringing Russia closer to a nonexpanding North Atlantic alliance.

Russia: Russia, NATO Seek 'New Security Model'

MM1806094696 Moscow KRASNAYA ZVEZDA in Russian 18 Jun 96 p 1

[Report by special correspondent Aleksandr Golts: "Russia and the NATO Countries Are Advancing Toward a New Model of European Security"]

[FBIS Translated Text] Brussels-Moscow — "It was an extremely constructive and positive meeting. This is how I would sum it up: We have a new NATO and a new Russia, we need new relations, and we have a common aim — security and stability on the continent and throughout the world. We can and will work on this." In other circumstances these words, spoken by NATO Secretary General Javier Solana following Russian Defense Minister Pavel Grachev's meeting with the 16 defense ministers of the North Atlantic alliance countries, could be regarded as a simple example of diplomatic politeness.

But everything appears in quite a different light if you consider that half an hour previously the head of the Russian Ministry of Defense had pronounced words never heard before at NATO's Brussels headquarters. The Russian minister of defense had voiced doubt about the need for NATO to continue pursuing what for the Atlanticists has for almost half a century been a kind of "article of faith". Namely, the principle of "collective defense." Pavel Grachev had said that the time had come to move on from that principle to others: dialogue and cooperation.

The logic of this proposal is understandable. The very fact of the meeting in the "16 plus one" format attests that everyone is conscious of the reality of post-confrontational Europe: Two centers of power remain within it — NATO and Russia. By regarding the principle of "collective defense" as of paramount importance and, at the same time, preparing to expand, NATO risks reproducing the old confrontational models.

But, despite all the fairness of Russia's approach, only a couple of years ago the ideas expressed by Pavel Grachev would have elicited a very sharp incomprehension. But now there has been a cardinal change in the situation. I have been able to speak with Western and Russian participants in meetings and contacts between Moscow and Brussels, and they point out unanimously that the atmosphere at these meetings has changed too. The West listens to the Russian arguments with interest and understanding.

Moreover, paradoxical though it may seem, the really innovative initiatives voiced by Pavel Grachev follow the direction of one of the main areas of NATO's transformation. If you read carefully the final documents of recent sessions of the bloc's leading organs — the Berlin conference of foreign ministers and the Brussels conference of heads of defense departments — it is possible to notice a certain contradiction. The declared loyalty to "collective defense" in those communiques is left hanging in midair, in no way corresponding to the real problems which the bloc wants to tackle now. Thus, a major operation which NATO regards as its chief success of late — the operation by the force implementing the agreements in Bosnia and Herzegovina — was planned and carried out on totally different principles.

Both NATO and non-NATO states, including Russia, are involved in it. The success of this force has made it possible to conclude that the mobilization of the world community to resolve problems like the Bosnia problem (and evidently it is precisely such problems we will encounter in the future) certainly does not require the expansion of NATO but its transformation. Then the North Atlantic alliance could become one of the elements of the future structure of general European security. And become its peacemaking tool.

In point of fact, the initiatives of the NATO Council's Berlin session on the concept of multinational operational forces do contain the kernel from which, in favorable circumstances, the military component of the future structure of European security can grow. I mean a force in which both NATO and non-NATO countries will be involved. While within the military structures of the bloc itself "cells" of a kind will be created which will be able, when necessary, to operate under the political leadership of the Western European Union.

Here, too, Russia's participation appears logical, to say the least. This is why, in developing precisely the Berlin initiatives, our country's minister of defense deems it advisable to have Russian representatives permanently on the staff of the Supreme High Command of NATO Allied Armed Forces in Europe and on the staffs of the alliance's main commands. Under this arrangement cooperation between Russia and NATO will be primarily focused on peacekeeping but will not be confined to it. Other areas of partnership are also on the agenda: dis-

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armament and arms control, preventing the spread of weapons of mass destruction, missile technologies, and fissile materials, and countering terrorism and drugs trafficking.

Moscow conceives this model of cooperation as being open to any interested countries to join in the future. As a matter of fact, it is a prototype of the power tool that would enable the Organization for Security and Cooperation in Europe to maintain peace and to end conflicts. Now, after Pavel Grachev's meetings in Brussels, these plans seem perfectly realistic.

On the condition, of course — as a high-ranking NATO official told me quite frankly — that no cardinal changes occur in Russia or, consequently, in its foreign policy in the very near future. For the meetings in Brussels took place on the very eve of the first round of the presidential election....

Russia: Moscow 'Will Not Allow Iran To Become Nuclear State'

MM1806103996 London AL-SHARQ AL-AWSAT in Arabic 18 Jun 96 p 1, 4

[Report by Huda al-Husayni: "Russian Foreign Ministry Official Tells AL-SHARQ AL-AWSAT; We Will Not Allow Iran To Become Nuclear State"]

[FBIS Translated Text] Moscow — Moscow is determined to build bridges of cooperation and friendship with Tehran. However, according to a senior Russian Foreign Ministry official, it will not allow Iran to become a nuclear state "because that would threaten our national interests." In an interview with AL-SHARQ AL-AWSAT the Russian official urged Arab Gulf states not despair over the rectification of relations with Iran. "There are people in the Gulf states who think like us with regard to the need for dialogue and the need to find points of communication, instead of focusing on the points of disagreement."

Andrey Vdovin, director of the Middle East and North Africa Department at the Russian Foreign Ministry, revealed in his interview with AL-SHARQ AL-AWSAT (to be published tomorrow) a fundamental disagreement between Moscow and Washington. The United States is blaming Russia for its support for Iranian nuclear efforts, to the point that Washington had to exert some pressure on Moscow to persuade it to refrain from supplying Tehran with weapons, especially submarines, and equipment for nuclear reactors. Washington even went beyond that to legislate a boycott on companies dealing with Iran. This is in addition to its efforts as regards the implementation of the dual containment policy against Tehran and Baghdad.

Vdovin rejects the dual containment concept, saying that Russia is not alone in rejecting the U.S. view. "The European states do not agree with the U.S. view."

Al-SHARQ AL-AWSAT interviewed Vdovin on the periphery of the Russian elections, despite Russian officials' preoccupation with the elections. Asked about Moscow's position on the Iranian role in the Middle East, Tehran's open opposition to the peace process, and its pledge to obstruct the peace process, Vdovin said: "We rely on dialogue, dialogue with officials in Iran. By the way, this is what we are doing now. Viktor Posuvalyuk, President (Boris) Yeltsin's special envoy, visited Tehran a few days ago and discussed this issue. Because we believe that it is very important not to reinforce the convulsive trend toward the peace process and other topics in Iran. On the contrary, we believe that we should talk, explain the situation, and encourage Iran to tackle matters positively. We are not in despair in this connection."

Asked, "what will you do to prove to Iran that you are against interference (in the Gulf states' internal affairs)?", the Russian Foreign Ministry official said: We are trying and making efforts so that relations between Iran and the Gulf states will become good. Of course, there are numerous disputes and the legacy of the past. These can be tackled through what we might term a radical mentality or the mentality of looking for enemies. They can also be tackled through another mentality, namely the mentality of looking for points of communication. We are in the process of applying the latter. We are making efforts in this connection, since we have good relations with Iran, as I said. I believe that the Gulf states should not despair over the rectification of relations with Iran. Besides, there are people in the Gulf states who think like us as regards the need for dialogue and the need to find points of communication, instead of focusing on the points of disagreement. There is also a military — let us say foreign — presence, a factor which might not necessarily have a positive effect.

There are also the dual containment policies, and we can say that Russia is not alone in its disapproval of these policies. European states too do not agree to the U.S. view in this connection.

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Russia: French Security Agencies Tracking 'Russian Mafia'

MM1706152796 Moscow IZVESTIYA in Russian 11 Jun 96 p 3

[Report by Yuriy Kovalenko: "French Special Services Pick Up Trail of Russian Capital"]

[FBIS Translated Text] Paris — A total of 55 billion French francs [Fr] (over $10 billion) was transferred from Russia and certain other former republics of the Land of the Soviets to France in 1994 alone. This colossal sum was registered by the Bank of France — the country's central bank. It can easily be assumed that this money is only the visible tip of the iceberg, and we can only guess at the real amount.

Of course it would be rather rash to claim that all these millions have found their way to Paris solely by illegal means. However, the French special services and customs believe that our investments are the result of the purposeful infiltration into France of powerful criminal structures, which it has become customary to call the "Russian mafia" here.

The fight against it, which is partly of a preventive nature, has brought together the forces of the DSI [Territorial Surveillance Directorate] counterintelligence agency, the RG [Renseignements Generaux] police intelligence service, the criminal police, and finally, TRACFIN — the Ministry of Finance administration for combating the laundering of dirty money.

Thus, the RG central directorate prepared a confidential report entitled "Organized Crime from East European Countries" at the end of March 1996. The French special services have divided the Russian mafia into four categories. At the bottom of the hierarchy lie the gangsters, who are involved solely in racketeering and who collect bribes owed to the mafia. Real organized crime is one step up from them.

The next step is occupied by members of mafia structures who are not involved in any criminal business abroad, but who set up firms and investment funds designed to receive capital from Russia.

Finally, the top category, the fourth, is made up of criminal organizations which take capital out of Russia, pay it into bank accounts, and then invest it in business when the opportunity arises. In France the Russian mafia mainly invests capital in real estate, hotels, and tourist agencies. Apart from that, money goes into export and import (petroleum, alcohol, cigarettes, chocolate, and other things). Investments in pornography are increasing, particularly investments in sex shops.

Colossal sums are being invested in real estate. Here are two typical examples from a report drawn up by the police intelligence service, which conducted an inventory of the houses and apartments acquired by our compatriots with a dubious reputation. One of them bought a house for Fr31.2 million in Rue Georges Mandel, which is in the fashionable 16th district, and another an apartment worth Fr25 million on the Avenue Foche in the same district.

Real estate is being bought up not only in the capital, but in all the places where the new Russians relax — the Cote d'Azur (Nice, Cannes, Antibes, Monaco). Others prefer less lively places — for example, Alsace, which is near Germany, or Savoy, which shares a border with Switzerland. Curiously, the enormous bills for refurbishment work carried out in these buildings are paid by firms from the most exotic countries, including the Virgin Islands.

French investigators have managed to draw up a list of the Russian "business people" connected with the mafia, and their bodyguards and assistants, who visit France. From what PARIS MATCH says, this list includes a famous Russian writer, the author of several bestsellers, whose name, it has been decided, will not be published for the time being. He has allegedly taken part in operations to supply 150 Russian trucks to the Congo, in deals linked with the sale of former Soviet Army military equipment, and so on.

Finally, the writer's visiting card was discovered by the brigade for the fight against organized crime during the investigation into the murder of the millionaire entrepreneur Sergey Mazharov, who was shot by unknown individuals in November 1994 in Paris.

The police managed to track one multiple financial transaction which was designated "the acquisition of carpets." During this deal, Fr200 million ($40 million) was transferred from a Paris bank to Belgium, Britain, and the United States, ultimately finding its way to Gibraltar.

Rumors are increasingly actively circulating around Paris to the effect that the French banks will provide the Russian law enforcement organs and tax organs with information about our compatriots' accounts.

Russia: Britain, Russia Said 'on Verge of Visa War'

MM1706150596 Moscow IZVESTIYA in Russian 15 Jun 96 p 3

[Report by Vladimir Skosyrev: "Moscow and London on Verge of Visa War"]

[FBIS Translated Text] London — Something which has not happened for a long time and maybe has never

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happened, happened at the consular section of the Russian Embassy in London a few days ago. A British citizen applying for a Russian visa was requested by consular officials to produce certain additional documents needed in order to make a decision on his application. The Briton, who has been to our country before, was not expecting this at all. He started protesting vigorously and barred other visitors' way to the window where visas are issued. Exhortations did not help and at that point the consular officials called the police.

With the help of a "bobby" the incident was settled satisfactorily. Nevertheless, Britons intending to come to this country should mentally prepare themselves for the need to supply information and give detailed answers to consular officials' questions. The reason is by no means an excess of bureaucratic zeal. When issuing visas the Russian side has decided to resort to roughly the same procedures as the British representatives in Moscow use in relation to our citizens.

For example, a businessman will be required to produce business correspondence between British and Russian firms and documents concerning his personal income for several years. It is also possible that the consulate will stop accepting visa applications by mail and will ask guests to produce a police certificate saying that they have not committed any offenses.

The visa problem started to become exacerbated with the onset of summer and reached its apogee on the eve of the start of the European soccer championship. According to information from THE TIMES, which in the main coincides with the Russian side's reports, around 70 of the 600 of our supporters who were going to the championship were refused a British visa. The newspaper writes that Immigration Service officials asked them trick questions and that one was even asked what size boots a famous Russian soccer player wears.

Digressing from the championship, many Russians applying to the British Embassy for visas are being asked to submit extracts from their bank accounts showing income, interest is being shown in work record books, and even certificates stating that the police have nothing on a particular person are being demanded. Not to mention that it is not easy to get these papers together and that they are of a confidential nature.

Commenting on the situation at IZVESTIYA's request, a British Foreign Ministry representative noted that an immigration official's main task is to satisfy himself that a foreigner applying for a visa is coming to Britain for the purposes indicated in the application and that he will return to his country on time. If during this process it is necessary to elicit information of a confidential nature, the embassy will protect its confidentiality and will not use it for other purposes.

[Skosyrev] But I have been told that our citizens working at secret facilities are being asked: What products does the enterprise produce and how many workers does it have?

[British Foreign Ministry representative] The only purpose of the interview is the one I have already mentioned. There are no others.

[Skosyrev] Are the current visa difficulties not linked to the recent spy scandal?

[British Foreign Ministry representative] Not at all. The difficulties have been caused by the fact that in the last three years the number of Russians wanting to visit us has increased from 45,000 to 150,000 a year. A new document receipt section is being created in our embassy. An affirmative answer is given in 99 percent of applications, and usually within 24 hours. If somebody is rejected he can appeal and inform the embassy of new facts. The decision can then be reviewed....

When one hears the Russian and British sides one gets the impression that they are completely incapable of finding a common language between them. Russian diplomats are entitled to uphold the prestige of their state and the interests of our citizens. The British are entitled to erect a barrier to illegal immigrants.

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Political Issues

Russia: Yeltsin, Premier Discuss Election Results, Economic Issues

LD1806110296 Moscow INTERFAX in English 1052 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — Russian President Boris Yeltsin held his regular Tuesday [18 June] meeting with Prime Minister Viktor Chernomyrdin today.

The two discussed the results of the first round of presidential elections, and the country's sociopolitical and economic situation, Kremlin spokesman Sergey Medvedev said. They touched upon a number of economic issues, focusing on their social aspects. Most of all they discussed the problem of unpaid wages.

Chernomyrdin briefed the president on the work of the commission on Chechnya, Medvedev said. They also reviewed staff issues.

Russia: Yeltsin Appoints Lobov First Deputy Prime Minister

LD1806092396 Moscow ITAR-TASS in English 0901 GMT 18 Jun 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, June 18 (Itar-Tass) — President Boris Yeltsin created the post of yet another first deputy premier in the government for Oleg Lobov, the former secretary of the powerful Security Council, who was replaced on Tuesday by General Aleksandr Lebed.

Lobov, 58, was appointed first deputy prime minister by a presidential decree on Tuesday, Yeltsin' press secretary, Sergey Medvedev said. So far there were two first deputy prime ministers — Oleg Soskovets and Vladimir Kadannikov. Medvedev said that the new appointment did not mean that either Soskovets or Kadannikov would be replaced by Lobov.

Besides, Lobov "continues implementation of his duties as permanent envoy of the Russian president to the Chechen republic."

Earlier on Tuesday, Yeltsin relieved Oleg Lobov of his duties as secretary of the Security Council. He has been in office since September, 1993.

Media Issues

Russia: Government Decree on State Grants for Media

MM1706151496 Moscow ROSSIYSKAYA GAZETA in Russian 15 Jun 96 p 1

[Directive No. 906 of the Russian Federation Government, signed by Russian Federation Governmeht Chairman V. Chernomyrdin in Moscow on 11 June 1996: "Chance of Survival Through Tenders"]

[FBIS Translated Text] 1. The appended Statute on Russian Federation Government Grants in the Media Sphere is approved.

2. In order to organize tenders for Russian Federation Government grants in the media sphere, an Expert Council on Russian Federation Goverament Grants in the Media Sphere, headed by V.N. Ignatenko, deputy chairman of the Russian Federation Government, is to be set up as a consultative body, operating on a representative basis.

The head of the Expert Council on Russian Federation Government Grants in the Media Sphere is to approve the Council's membership, ensuring that representatives of interested federal organs of executive power, all-Russia public associations, and media editorial boards are involved in the work.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government.

Statute on Russian Federation Government Grants in the Media Sphere

1. A Russian Federation Government grant in the media sphere is a special range of state support measures for media editorial boards, publishing houses, organizations making television and radio programs, organizations delivering and distributing printed periodicals (if the revenue from the delivery and distribution of these publications is at least 50 percent of their total income from their basic activities), and also enterprises in the printing industry in their activities aimed at solving specific socially significant tasks of improving the supply of information for the Russian Federation population.

2. Russian Federation Government grants in the media sphere can be given to organizations and enterprises mentioned in Point 1 of this Statute irrespective of their organizational and legal form and regardless of the department to which they belong in the form of:

budget appropriations allocated to swell circulating capital needed to implement the state order;

treasury tax exemption (tax investment credits);

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equipment supplied on a preferential leasing basis, partly financed by the state;

paper products supplied on commodity credit terms;

other forms of state support.

3. Grants are given through tenders, with the competing bodies submitting detailed investment projects (programs, business plans).

4. Grants are provided as a result of a Russian Federation Government decision based on the findings of the Expert Council on Russian Federation Government Grants in the Media Sphere (hereinafter the Expert Council), taking into account the opinion of the organs of executive power of the Russian Federation components in which the contenders are located.

5. The Expert Council is headed by a deputy chairman of the Russian Federation Government.

The Expert Council's personnel and its standing orders, including the grant tendering procedure, are approved by the head of the Expert Council.

6. The Expert Council sums up the results of the grant tendering process on the basis of priorities governed by the tasks of providing information for the Russian Federation population and connected with organizational, legal, financial, economic, technological, and resource provisions for the development of the printed and electronic media.

7. The Expert Council will submit to the Russian Federation Government:

an application for a grant with an investment project (program, business plan) approved by the Expert Council attached;

a properly agreed Russian Federation Government draft decision on giving a grant.

Military Issues

Russia: Yeltsin Appoints Lebed Security Council Secretary

LD1806082996 Moscow Russian Television Network in Russian 0700 GMT 18 Jun 96

[From the "Vesti" newscast]

[FBIS Translated Text] [Video shows Yeltsin and Lebed in a hall, speaking to journalists] Boris Yeltsin gave Aleksandr Lebed his edict during their meeting today. In accordance with the edict, Lebed was appointed secretary of the Security Council and the president's aide on issues of national security. Asked by journalists whether Yeltsin's and Lebed's voters will unite now, the new head of the Security Council said the following:

[Begin recording] [Lebed] I think this will take place.

[Yeltsin] I signed an edict, as we agreed earlier, appointing him secretary of the Security Council and the president's aide on issues of national security. This is not just an appointment, this is a union of two politicians. This is a union of two programs. His action program is enriched, so to speak, by the Russian president's action program. I think that those who voted for Aleksandr Ivanovich [Lebed] gave an instruction to the president to implement the good things they saw in the program of Aleksandr Ivanovich Lebed. Therefore, I must somewhat adjust my program accordingly and include in it such issues as the Army, reform in the Army, security issues, the fight against crime and corruption, and a number of other issues. I must also tell you another piece of news. In accordance with the submitted report, I have released Defense Minister Pavel Sergeyevich Grachev from his post. Chief of General Staff Mikhail Petrovich Kolesnikov will be acting defense minister for the time being.

[Lebed] Eleven million people believed me when I said I am capable of restoring law and order in the country and ensuring safety. I am an officer and I have to keep my word. Therefore, being the third to reach the finishing post, I am taking upon myself these complex and laborious duties. I am deeply convinced that at least 80 percent of the voters, I repeat at least 80 percent, will understand me correctly and support with me. I am deeply convinced of this. [end recording]

Russia: Yeltsin Explains Lebed Appointment

LD1806065996 Moscow ITAR-TASS World Service in Russian 0634 GMT 18 Jun 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Excerpt] Moscow, 18 June (ITAR-TASS) — [passage omitted] Answering a question from the ITAR-TASS correspondent, Boris Yeltsin said: "the results of the election have shown that an overwhelming majority of voters support the course we have been pursuing for five years. In that time a number of interesting politicians have emerged, and have been backed by many voters. They include Aleksandr Ivanovich Lebed. I signed a decree appointing him secretary of the Security Council and aide on matters of national security, as we agreed earlier. This is not just an appointment; this is a union between two politicians, two manifestos. His action program enriches the Russian president's action program."

In the opinion of the head of state, those voters who cast their ballots for Lebed had "given the president an instruction to implement the good things they saw in his program."

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"I must readjust my program," Boris Yeltsin said, emphasizing that he was referring to such matters as army reform, security and the fight against crime and corruption.

Russia: Yeltsin Views Lebed as Successor in 2000

LD1806073796 Moscow ITAR-TASS in English 0734 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW June 18 (Itar-Tass) — President Boris Yeltsin actually confirmed the media rumours that he had meant General Aleksandr Lebed when speaking about a possible successor in 2000.

Although Yeltsin again refused to name the man concretely, he said that the media, who listed Lebed as the successor, was correct in its guesses.

"You are thinking correctly", the president told reporters on Tuesday, but added that "It is too early to speak about that".

On Tuesday morning the meeting between Yeltsin and Lebed lasted for only a minute or two. They shook hands and the president took out a draft decree.

"According to our agreement I am signing the decree on your appointment as the secretary of the Security Council and as the aide of the President of Russia on national security", Yeltsin said and signed the document.

The agreement has been, evidently, reached during the Monday meeting between the two politicians.

Russia: Yeltsin To Expand Lebed's Security Council Powers

LD1806113196 Moscow INTERFAX in English 1119 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — President Boris Yeltsin will soon sign a decree expanding the powers of the Security Council Secretary, a source near the president told INTERFAX Tuesday [18 June].

Retired general Aleksandr Lebed, the new secretary, will be able to influence military reform, and the fight against crime and corruption directly through the Defense and Interior Ministries, the Federal Security Service, and the Foreign Intelligence Service (FIS).

Russia: Zyuganov Sees Lebed's New Post as 'No Surprise'

LD1806082896 Moscow INTERFAX in English 0805 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — The Russian president is authorized by the constitution to reshuffle personnel and the nomination of Gen. Aleksandr Lebed as Secretary of the Russian Security Council and presidential security aide is no surprise, Communist Party leader Gennadiy Zyuganov told Interfax Tuesday. He said he heard about the possible nomination in early May.

"I am backed by a huge bloc of popular-patriotic forces and 25 million voters, which means every responsible politician in this country, starting from the president and not to mention the Security Council Secretary and government members, understands this and will speak to us," said Zyuganov.

The Communists "have long proposed a dialogue with the three power branches and are ready for immediate negotiations between presidential candidates and the authorities to discuss the situation and find a way out through compromises and dialogues," he said.

"Lebed joined the elections with sharp and principled criticism of the authorities, because he perfectly understood that these authorities brought the country to such a situation in the economy and the armed forces," noted Zyuganov.

Asked whether he criticizes Lebed for betrayal of his own principles, Zyuganov said this is up to the general.

He refused to comment on resignation of Russian Defense Minister Grachev, but said he will insist on changing the laws to enhance parliament's control over nomination of ministers, including those in power departments.

The Communist Party leader does not exclude the possibility that he will meet very soon with Lebed.

Russia: Lebed-Yeltsin Union Not To Reduce Zyuganov's Chances

LD1806091796 Moscow INTERFAX in English 0903 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — A leading Communist Party member and chairman of the State Duma security committee Viktor Ilyukhin does not believe that the appointment of Aleksandr Lebed as secretary of Russia's Security Council and presidential national security adviser will considerably lower the Communist candidate's chances of winning the second round of presidential elections.

"The main thing is that uncertainty ended, and we shall waste no time on negotiations with Lebed; besides, we shall get the votes of those in the general's electorate for whom his union with President Yeltsin is unacceptable," Ilyukhin pointed out.

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"This transaction" will alienate from Boris Yeltsin those voters who view Aleksandr Lebed as someone like Anpilov, he said.

According to Ilyukhin, Lebed might "repeat the destiny of Russia's former vice president Aleksandr Rutskoy, who also began by combating crime, then monitored farming and ended his career in prison."

Ilyukhin claims that General Lebed's independence will be considerably curtailed by his new job.

Russia: Seleznev: Lebed 'Finished' as Politician After Appointment

LD1806094896 Moscow INTERFAX in English 0919 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — The appointment of Gen. Aleksandr Lebed to the post of Security Council secretary and presidential national security aide shows "the deal was made, after which Lebed is finished as a politician," Duma chairman Gennadiy Seleznev told the press Tuesday.

He felt most of the general's voters will not support his decision to join the current administration and in the runoff they will vote for Communist leader Gennadiy Zyuganov rather than President Boris Yeltsin.

"There is no party or mass organization behind Lebed. He only has his name. His rise in the elections is a phenomenon which occurs once in three years. The same happened to Zhirinovskiy in 1993," Seleznev said.

Seleznev said Yeltsin accepted the resignation of Defense Minister Pavel Grachev under pressure of the opposition and the Duma, which had long insisted on the dismissal of Andrey Kozyrev, Anatoliy Chubays and Pavel Grachev.

Russia: Communists Still Want To Continue Talks With Lebed

LD1806105996 Moscow ITAR-TASS in English 1042 GMT 18 Jun 96

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, June 18 (Itar-Tass) — The bloc of people's patriotic forces, which is based on the Russian Communist Party, intends to continue talks with Aleksandr Lebed. "It is not late yet," Communist leader Gennadiy Zyuganov told reporters here on Tuesday [18 June].

Talking with them outside the State Duma (Russian parliament lower house) session hall, the presidential candidate from the people's patriotic bloc noted that Lebed's appointment to the posts of secretary of the Russian Security Council and the Russian president's national security assistant "is no news. We guessed about this back in early May".

Zyuganov also added that "some try to use the general's talent".

The presidential candidate who is a runner-up after the first round of the elections, believes that his chances will not be impaired by the appointment on Tuesday of Lebed to the key posts in the national security leadership of the country.

"Voters do not obey orders. They backed a definite position. If they see that they are deceived in their expectations, they will act vice versa," Zyuganov claimed.

The tactics of the people's patriotic bloc remain the same on the eve of the second round of the elections, the presidential candidate continued. According to Zyuganov, participation in the government of people's confidence will be "offered to people who can care for Russia", including possibly Lebed.

Zyuganov was not especially surprised by the resignation of Defence Minister Pavel Grachev. According to the Communist leader, the appoinment of a new minister is the president's prerogative.

However, the presidential candidate supports an idea that ministers should be discussed at appropriate committees of the State Duma before their appointments.

Commenting on a proposal to fix the runoff elections on July 3, Zyuganov noted that "the Communist Party's attitude to this issue will be determined at a meeting of the Communist parliamentary group which is now in progress at the State Duma. In any case, we shall act in strict compliance with law".

Russia: Grachev Reportedly Resigns Rather Than Serve Under Lebed

LD1806071596 Moscow INTERFAX in English 0707 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — The decision on the resignation of Defense Minister Pavel Grachev was taken during Grachev's meeting with President Yeltsin in the Kremlin on Monday evening.

Yeltsin informed Grachev of the plans to appoint Aleksandr Lebed to the post of secretary of the Security Council and the president's national security aide, informed sources in the Defense Ministry told Interfax.

"Grachev refused to work under the leadership of his former subordinate and wrote a letter of resignation," said an Interfax source.

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Russia: Aide Says Yeltsin, Grachev Did Not Discuss New Appointment

LD1806090696 Moscow INTERFAX in English 0852 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — Presidential press secretary Sergey Medvedev told a Moscow briefing Tuesday that President Boris Yeltsin and former defense minister Pavel Grachev did not discuss any new appointments for Grachev so far.

He said the former minister regarded with understanding the decision of the president to appoint General Aleksandr Lebed Security Council secretary and national security aide.

Medvedev denied claims Grachev resigned in protest against Lebed's appointment.

Russia: Military Gives No Reaction to Grachev Resignation

LD1806090796 Moscow ITAR-TASS World Service in Russian 0820 GMT 18 Jun 96

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 18 Jun (ITAR-TASS) — The news that Russia's defense minister, Pavel Grachev, has been released from his post, was received fairly calmly by the Russian military department. Officials are refraining from making any comment. A source at the Defense Ministry reported that the leaders have not held an emergency meeting, Pavel Grachev is in his office at the ministry.

At the military department they learned of the resignation of their boss yesterday. The same source said that, after yesterday's meeting of Russian President Boris Yeltsin and Aleksandr Lebed, it became clear that the latter was offered a high-ranking post in the presidential administration which envisions supervision of the power departments. Taking into account the well-known strained relations between the former defense minister and Aleksandr Lebed, the source did not rule out the removal of Pavel Grachev being one of the conditions of cooperation which was set by Aleksandr Lebed during his meeting with Boris Yeltsin.

Russia: Gromov Likely To Replace Grachev as Defense Minister

LD1806094296 Moscow Radio Rossii Network in Russian 0900 GMT 18 Jun 96

[FBIS Translated Text] A decision on Pavel Grachev's resignation was made Monday evening during his meeting with Boris Yeltsin in the Kremlin. Interfax reports that during the meeting the president informed Grachev about plans to appoint Lebed. The minister refused to work under his former subordinate and tendered his resignation.

According to the agency, Grachev's most likely successors in the post of defence minister are Colonel-General Boris Gromov and the government's main military expert Colonel-General Valeriy Mironov. According to preliminary information, Grachev is likely to be offered the post of Russia's representative at the NATO headquarters in Brussels.

Russia: Baturin, Kolesnikov Receive New Appointments

LD1806085896 Moscow Interfax in English 0838 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — According to the presidential press service, President Boris Yeltsin dismissed his national security advisor Yuriy Baturin, making him presidential aide by a Tuesday decree.

Another decree dismissed Oleg Lobov from the post of Security Council secretary "on account of receiving another appointment."

One more decree appointed deputy Defense Minister and Chief of the General Staff Mikhail Kolesnikov acting defense minister.

The press service told Interfax Pavel Grachev was dismissed from the post of defense minister "in keeping with his application."

Russia: Army General Mikhail Kolesnikov Profiled

LD1806090096 Moscow ITAR-TASS in English 0745 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Itar-Tass) — Army General Mikhail Kolesnikov, who was appointed Acting Defence Minister of Russia by a presidential decree today, holds the posts of Chief of the General Staff of the Russian Armed Forces and First Deputy Defence Minister of the Russian Federation.

Kolesnikov was born on June 30, 1939, in Yeisk, Krasnodar Territory. He graduated the Omsk Armour-Technical School in 1959 and the Military Academy of Armoured Forces in 1975. Kolesnikov graduated the Military Academy of the General Staff in 1983.

In the period from 1959 to 1972 he served in the Far Eastern Military District, where he rose from the rank of company commander to commander of a battalion.

Kolesnikov studied at the Military Academy of Armoured Forces from 1972 to 1975. He held different

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posts in the Group of Soviet Troops in Germany, starting from regiment commander and ending with commander of a division, in the period from 1975 to 1983.

From 1983 to 1987 Kolesnikov commanded a corps and then an army in the Transcaucasian Military District. In subsequent years he was First Deputy Commander of Troops in the Siberian Military District and First Deputy Commander-in-Chief of the Southern Direction Forces.

Kolesnikov held the posts of Chief of Staff and First Deputy Commander-in-Chief of the Russian Ground Forces from 1990 to 1991. He became Deputy Chief of the General Staff of the Soviet Armed Forces in 1991 and rose to the post of First Deputy Chief of the General Staff in December 1992.

Kolesnikov is Chief of the General Staff of the Armed Forces and First Deputy Defence Minister of the Russian Federation since December 1992. On December 20, 1995, Mikhail Kolesnikov was promoted to the rank of Army General.

He is Chairman of the Chiefs of Staffs Committee of the armed forces of the CIS states since March 1996. Kolesnikov heads the Council for Military-Strategic Problems of the Defence Ministry of the Russian Federation.

Kolesnikov has a wife (Galina) and a son (Yuriy) born in 1963.

Russia: Yeltsin Edict on Benefits for Chechen War Veterans

MM1706120696 Moscow ROSSIYSKAYA GAZETA in Russian 15 Jun 96 p 4

[Russian Federation President's edict No. 863, signed by Russian Federation President B. Yeltsin in Moscow, the Kremlin, on 12 June 1996, and carried under the general headline "The State Remembers Its Sons": "On Rights and Concessions for Servicemen Who Are Performing (Or Have Performed) Tasks in the Armed Conflict in the Chechen Republic" — from the 'Documents' section]

[FBIS Translated Text] With the aim of strengthening the social protection of servicemen who are performing (or have performed) tasks in the armed conflict in the Chechen Republic, and guided by Article 80 of the Russian Federation Constitution, I decree:

1. The following rights and concessions are prescribed for servicemen who are performing (or have performed) tasks in the armed conflict in the Chechen Republic, in parallel with the guarantees and compensation envisaged in Russian Federation legislation:

a) the amount of one-shot subsidies prescribed by Points 2 and 3 of Article 18 of the Russian Federation Law "On the Status of Servicemen" and the amount of insurance to be paid under the compulsory state personal insurance for servicemen payable to servicemen who are performing (or have performed) draft military service in the armed conflict in the Chechen Republic is to be based on the monthly salaries for the relevant military rank applicable on the day payment is made for servicemen performing military service on contract in the relevant military rank;

b) the time spent by the servicemen performing tasks in the armed conflict in the Chechen Republic should be treated as time spent performing military service in the relevant military rank at preferential conditions — each month of military service counting as three months;

c) servicemen who have performed draft military service in the armed conflict in the Chechen Republic should be accepted at the military professional training educational institution of their choice without the need for entrance examinations on condition that they meet all the other requirements of professional selection and admission;

d) servicemen who are performing (or have performed) tasks in the armed conflict in the Chechen Republic should be provided with top priority vouchers to medical treatment institutions belonging to the relevant federal organs of executive power.

2. The federal organs of executive power are to provide the children of servicemen who have been killed (or have died), have gone missing, or have become invalids in connection with performing tasks in the armed conflict in the Chechen Republic, with free vouchers to children's health institutions every year. The vouchers will be paid for out of federal budget funds.

3. The validity of the present edict should be extended to the relevant categories of staffers of Russian Federation organs of internal affairs who are performing (or have performed) tasks in the armed conflict in the Chechen Republic, and their families.

4. The Russian Federation Government is to determine the sources of funding for the measures envisaged in the present edict and submit the necessary proposals to the Russian Federation Federal Assembly State Duma in accordance with the established procedure.

5. The present edict comes into force on the day of its publication.

[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, the Kremlin, 12 June 1996

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Federal Assembly

Russia: Duma Presses for Increasing 1996 Budget Expenditures

MK1806114096 Moscow KOMMERSANT-DAILY in Russian 15 Jun 96 p 2

[Report by Boris Boyko: "The State Duma Has Swooped Down on the Enfeebled Budget"]

[FBIS Translated Text] The 1996 budget is apparently going through a crisis: Parliament has to date persistently stressed this point in criticizing the Government. And so, yesterday the State Duma decided to assault the enfeebled budget, proposing a radical increase in expenditures and deficit. True, thus far the assault has been confined to the first reading of bills calling for increased public health and defense expenditures.

In fact the attack has long been prepared. Since the year began every committee has been working out proposals on increasing expenditures in the sphere under its jurisdiction. And so, now that the first half of 1996 is coming to an end, all proposals were summed up and submitted to a plenary session. The deputies were presented simultaneously with six bills united by one idea: the expansion of budgetary financing of the economy. Amendments to the budget concern nearly all articles, except, perhaps, agricultural and social expenditures (presumably the deputies were simply tired of dealing with those).

According to the Duma Budget Committee, all in all the bills called for a 62.7 trillion-ruble growth in expenditures. True, a number of amendments also envisioned an insubstantial increase in revenues, but in the end the budget deficit is all the same bound to grow by 30.8 trillion. The authors of the amendments proposed compensating for the growth of deficit with internal financial sources or, put simply, by issuing state securities.

Naturally, there was no way the Government could possibly support such plans. Furthermore, yesterday they were harshly opposed by the Duma Budget Committee, which stressed that as of 1 April budget revenue shortage was 48.4 trillion rubles and therefore the "adoption of bills setting unrealistic revenue levels with a substantial increase in expenditures will lead, in particular, to continued growth of interenterprise debt and wage arrears."

On the whole, the budget committee reasoned, no additional revenues will be raised while the expenditures will have to be financed with Central Bank credits, which will contravene both the budget law and the Government's and the bank's monetary policy. The plans of eliminating deficit through an additional issue of securities are unrealistic because the Russian financial market is already strained to the limit.

A fierce debate ensued. Representatives of other committees refused to give in. For instance, deputy Valeriy Vorotnikov stated emotionally that his proposed increase in expenditures for law-enforcement and security agencies could be offset by stripping the Gazprom Joint-Stock Company of customs breaks. Other deputies reminded him that the issue had been discussed earlier, when the budget was being adopted, and everybody had agreed at the time that depriving Gazprom of its privileges would make it unprofitable and would result in a budget revenue decline. Deputy Vladimir Medvedev summed up the general mood by saying: "Only very silly people will slaughter a cash cow."

Even so, the attack had a relative success. In any event, the Duma approved, on first reading, a bill providing for a 29 trillion-ruble increase in budget expenditures for the military-industrial complex; furthermore, public health expenditures were raised by 575 billion. The discussion of the bill on financing the military-industrial complex was the high point of yesterday's session. Presenting it, Stepan Sulakshin, a deputy from the People's Power group, said that he was not concerned about Russia's obligations to the IMF not to cover budget deficit with Central Bank credits: "Who is running the country? The IMF?" Then Sulakshin appealed to the deputies: "Those in favor of continuing the economic suppression by the IMF, vote against the bill; those in favor of protecting our industry, vote for it." Hardly all of the deputies were inclined to raise the question in such a revolutionary way: Nonetheless, even those who had rejected increasing expenditures on other items, chose to support the military-industrial complex.

Russia: Duma To Speed Inflation by Passing Pension Fund Budget

MK1806091196 Moscow KOMMERSANT-DAILY in Russian 15 Jun 96 p 2

[Report by Andrey Bagrov: "The Duma Is Giving an Impetus to an Inflation Wave"]

[FBIS Translated Text] Social policy is a platform on which political clashes are taking place regularly. Naturally, before the election it has not had an idle moment. Yesterday, the Duma overrode Boris Yeltsin's veto on the law "On the Russian Pension Fund Budget in 1996." In fact, this means that the Pension Fund should receive 18.5 trillion rubles from the federal budget this year. Meanwhile, the budget does not have this money. Therefore, the Duma decision is an unequivocal instruction for the Goznak [Main Administration for

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Production of State Bank Notes, Coins, and Medals] to start the money-printing machine.

No wonder that the card of social guarantees is being played — to the extent possible — by all of the presidential candidates. This game, however, has its own rules, or, more precisely, natural limitations: the capacities of the federal budget. The story is standard: First, the president and the Duma — a stronghold of the opposition — competed in raising the minimum pension level; then, another game started: find the funding. Everything seems easy since there is the Pension Fund. Money, however, does not grow there by itself either.

[KOMMERSANT-DAILY comment] In accordance with the law "On the Russian Pension Fund Budget in 1996," passed by the Duma in third reading, the revenue part of the Pension Fund is to be formed mainly at the expense of insurance fees (137.285 trillion rubles) and federal budget funds (18.587 trillion rubles). [end of comment]

Formally, everything looks fine, but it turned out that the 18.5 trillion rubles sought, which are to be received by the Pension Fund from the Government in 1996, have not been included in the federal budget. This fact was the basis for the presidential veto. The Duma, however, failed to be cooled off by this, and the veto was overridden yesterday. The decisive role was played by the assurance by Sergey Kalashnikov, head of the Duma Committee for Labor and Social Support (Liberal Democratic Party of Russia), that the Government had owed this money to the Pension Fund since last year.

This situation is sure to aggravate the federal budget crisis. We have long been facing the nonreceipt of revenues, on one hand, and a rise in expenditures, on the other. In this connection, it is worthwhile to recall the farsightedness of the Central Bank, which as long ago as in April, while formulating its monetary policy for 1996, envisioned a growth in money supply as a strategic target. In compliance with this policy, in late May-early June alone, the Central Bank put into circulation 14 trillion rubles.

Yesterday's Duma decision means that the Goznak will have more work to do, whereas the raise to be given to pensioners will be canceled out by inflation very rapidly.

Regional Affairs

Russia: Yeltsin Approves Further Measures on Chechen Settlement

LD1806111296 Moscow INTERFAX in English 1053 GMT 18 Jun 96

[FBIS Transcribed Text] MOSCOW, June 18 (Interfax) — Russian President Boris Yeltsin approved further measures on Chechen settlement Tuesday, Russian First Deputy Prime Minister Vladimir Kadannikov told those at a meeting of the state commission for Chechen settlement Tuesday.

The meeting will discuss implementation of the settlement agreements, including the two protocols signed at Nazran talks by the federal delegation and Chechen separatists.

Commander of the federal troops in Chechnya General Vyacheslav Tikhomirov, Russian Minister of Nationalities Vyacheslav Mikhailov, Chechen head Doku Zavgayev and head of the working group, Duma deputy Nikolay Bezborodov will deliver reports at the meeting.

The reports will dwell on measures to disarm rebel units in Chechnya, the plan of gradual withdrawal of federal troops from the republic, the search for missing and exchange of detained persons.

Chechen head Doku Zavgayev is expected to present a plan for inter-Chechen dialogue.

Russia: Chechnya's Udugov Criticizes Presidential 'Election Farce'

LD1806105396 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 0730 GMT 18 Jun 96

[FBIS Translated Text] The election farce in the Chechen republic was a total failure, said Movladi Udugov, minister of press and information of the self-proclaimed Chechen republic of Ichkeria, speaking on Ekho Moskvy radio station.

Udugov claims that according to the information which the Chechen government has, and also to information received through the OSCE [Organization for Security and Cooperation in Europe] mission channels, around 0.3 percent of the electorate of Chechnya actually took part in the election farce.

Udugov said that the highest turnout was in military units, in places where the Russian armed forces are deployed, and also in places where Russian energy and construction workers who are taking part in restoring the republic's economy live.

As far as the inhabitants of Chechnya are concerned, even the Russian population categorically refused to take part both in the elections to the people's assembly of [Doku] Zavgayev and in the Russian Federation presidential elections, Movladi Udugov said.

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Russia: Chechen Fighters Call Truce Until 2d Round of Election

AU1706200896 Paris AFP in English 2003 GMT 17 Jun 96

[FBIS Transcribed Text] Southern Chechnya, Russia, June 17 (AFP) — Independence fighters in Chechnya have decided to refrain from any armed action until the second round of the Russian presidential election, Chief of Staff Aslan Maskhadov said Monday [17 June].

"We have decided to wait so as not to risk a resumption of hostilities and threaten the accord" signed on June 10 between pro-independence guerrillas and Russia, Maskhadov told journalists in his stronghold in southern Chechnya.

That agreement covered the setting up of a ceasefire which had come into effect on June 1.

Maskhadov recalled that his fighters had done nothing to disrupt the local and presidential elections held in Chechnya from Thursday through Sunday in order, he said, "to show the entire world who wants really to end the war, who really wants peace."

Observers in the field said the vote had apparently been manipulated and had been a parody of democracy.

Russia: Chechens Fail To Attend Talks on POW Exchange

LD1706174796 Moscow Radio Rossii Network in Russian 1700 GMT 17 Jun 96

[FBIS Translated Text] A meeting of the working groups of the delegations of the federal center and armed Chechen opposition was due to take place in the Groznyy suburb of Khankala today. The meeting, on the exchange of forcibly-held persons, failed to take place. According to military sources, the representatives of the federal side waited for their talks partners for one hour, but they did not show up.

Russia: Luzhkov: Crime, Environment To Be New Priorities

MM1706145196 Moscow IZVESTIYA in Russian 17 Jun 96 p 1

[Report by Viktor Belikov: "Yuriy Luzhkov: Such Support on the Part of Muscovites Imposes Great Obligations"]

[FBIS Translated Text] During the morning of 17 June reelected Moscow Mayor Yuriy Luzhkov met with journalists and described how the executive in the capital intends to work a second term under his leadership. As is known, in the elections for the top posts in the city's administration Yu. Luzhkov and V. Shantsev, whom he had nominated as vice mayor, won by an enormous margin over their rivals: 89.9 percent of the Muscovites who participated in the elections voted for them. Thanking the capital's inhabitants for the trust and support shown to him, the mayor reported that Monday morning he had visited V. Shantsev, who is recovering after the recent attempt on his life, in the hospital and can now talk with complete confidence about his speedy return to joint work at City Hall.

"Muscovites' absolute support," Yu. Luzhkov stated, "even inspires a degree of alarm in us. It means that future work to manage the life of the city must completely rule out the possibility of substantial miscalculations and mistakes, which, unfortunately, we did not manage to avoid in previous years. I am referring, in particular, to the difficulties which we encountered when carrying out privatization in the capital and in the course of forming market structures here."

The mayor went on to say that as soon as the official results of the Moscow elections are received the current city government will resign but it will continue to carry out caretaker functions for a short time until the new government is formed. The replacement of certain ministers and department leaders in it is not ruled out.

This is dictated by the changed priority objectives of the city executive's activity. Whereas previously the main task was to ensure stable supplies of food and consumer goods for Moscow, the new economic entities are now successfully coping "automatically" with such functions. Instead, Yu. Luzhkov stressed, two other areas — the fight against crime in the capital and concern for the creation of an ecologically clean environment for the city's inhabitants — are now coming to the fore.

There will be no radical personnel changes in the leadership of the city's services, but a considerable proportion of rights will move from the top echelon of Moscow power to the prefectures and rayon administrations. Answering a question as to whether the mayor will retain the most of government premier, as he did before, Yuriy Luzhkov made it plain that this will be decided in the course of the current week after consultations with trade unions, businessmen, social organizations, and the country's leadership.

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Russia: Yeltsin Promises 'Unremitting Attention' for Navy

MM1706094796 Moscow KRASNAYA ZVEZDA in Russian 15 Jun 96 p 1

[Report by Oleg Pochinyuk: "Boris Yeltsin: A Renewed Russia Must Rely on Naval Might"]

[FBIS Translated Text] St. Petersburg — As KRASNAYA ZVEZDA has already reported, during his one-day visit to St. Petersburg Russian President Boris Yeltsin visited the heavy nuclear-powered missile cruiser Petr Velikiy, work on which is now being completed at the Baltic plant.

Addressing the cruiser's crew, Boris Yeltsin stressed that it was here that Peter the Great said that now "all foreign ships will come to us." That was the case in Peter's day and will always be the case. When I look at your ship as supreme commander in chief, the president said, I feel a legitimate sense of pride: This year, the 300th anniversary of the Russian Navy, its ranks will be swelled by this beautiful cruiser, the mighty Petr Velikiy.

Then the head of state noted that protection of national interests and our country's economic and cultural development are impossible without a mighty Navy. A renewed Russia must rely on naval might, which will make it possible to defend our sea borders and will be capable of protecting maritime shipping and fishing.

Our Navy today certainly has plenty of problems, the president was obliged to say, and we are now taking urgent steps to resolve them. First, Boris Yeltsin noted, I have given instructions for wage arrears to be eliminated and holdups with the Navy's financial provisioning to be removed. I am aware of the failure to resolve the Navy's long-term problems, including such important problems as social security and housing issues. In May the Russian Government decided that in the future the draft federal budget would feature a separate section devoted to Navy expenditure.

I think, the president went on, that the question of sponsorship of your ship must be resolved. I believe that it would be right for the whole city of St. Petersburg, whose founder's name your ship bears, to take on this sponsorship, Boris Yeltsin stressed.

In conclusion he pointed out that, during the Russian Navy's 300th anniversary year, efforts must be pooled to perpetuate the memory of those who are the pride of our history. They will be immortalized by monuments to the Russian Navy and Russian seamen — Admiral Ushakov, Admiral Kuznetsov, and the heroic Aleksandr Marinesko.

Who but we Russians can understand the Navy's significance for the country! It is not just a question of naval reviews, gun salutes, and demonstration firing. It is primarily a question of ships and people. I promise you, Boris Yeltsin assured seamen, that the Russian Navy will always be afforded the president's unremitting attention. Russia has always been and will remain a great naval power, the Russian Federation president concluded.

After addressing military seamen, Boris Yeltsin gave the crew the Russian Federation president's standard.

Economic Issues

Russia: Next Stage of Privatization Process Previewed

MM1806103896 Moscow ROSSIYSKIYE VESTI in Russian 15 Jun 96 p 3

[Unattributed account of remarks by Alfred Kokh, first deputy chairman of the Russian Federation State Committee for the Management of State Property: "State Treasury Expects Money From the Sale of State Property"]

[FBIS Translated Text] The Russian Federation Government has done a lot recently to clear debts in the social sphere. Large sums of money are being channeled into paying the wages of workers in the budget-financed sphere and pensions and implementing a number of social programs. Only noninflationary sources, that is to say real budget money, are being used here. Income derived from privatization is one source of the funds. That is why the Russian Federation Government reaffirmed the budget target of 12.4 trillion rubles [R] in privatization revenue for 1996 when it recently examined the outlines of the new state privatization program. Alfred Kokh, first deputy chairman of the Russian Federation State Committee for the Management of State Property, describes the specific features of the process of privatization this current year.

[Kokh] We are now embarking on individual privatization. It has been resolved that we should concentrate on the largest 10-15 projects which will be implemented this year. These include, for example, Rosneft, the YeES Rossii [Russian Integrated Energy System] Russian joint-stock company, Rosgosstrakh, and the St. Petersburg Maritime Port. It is planned to repeat the attempt to sell the Svyazinvest joint-stock company. STET, the company which failed in its bid to purchase Svyazinvest last year, intends to tender for it again. Several Western telecommunications companies are also showing keen interest in Svyazinvest.

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Concessions to enterprise workers will be substantially reduced at the new stage of privatization. This is because, contrary to expectations, the members of labor collectives do not greatly value the shares in their own enterprises, and these securities are the first, as a rule, to show up on the secondary market. Moreover, members of labor collectives dispose of their shares at depressed prices, as a result it is very difficult to maintain them at an acceptable level. Second, the members of labor collectives exert virtually no influence on the management of enterprises. Therefore by the time of the second or third meeting of shareholders, that is to say two to three years after privatization, the labor collective holds no more than 5-7 percent of share capital. So let the shares go to those who really value them, and the state will thereby obtain a far larger revenue from privatization.

How realistic is the plan to obtain R12.4 trillion in revenue from privatization? I am not going to play a guessing game of will we or won't we fulfill it. The budget needs this money to carry out the social programs. If the policy of reforms is not altered after the election, the budget target will prove perfectly feasible.

Russia: Bankers Want To Avoid New Liquidity Crisis

MK1806091296 Moscow SEGODNYA in Russian 15 Jun 96 p 1

[Report by Irina Yasina: "Bankers Do Not Want a New August Crisis. Liquidity Is an Apolitical Indicator"]

[FBIS Translated Text] For the second day running the leadership of the Central Bank and major Russian commercial banks are discussing possible solutions in a situation fraught with if not a new banking crisis then serious problems for an overwhelming majority of commercial banks. The bankers, who remember August 1995 well, are trying to prevent a new crisis and, should it start anyway, to have a mechanism of counteracting it. In the opinion of Andrey Tsimaylo, vice president of Most-Bank, however, a whole year has been lost, during which means to avoid potential problems could have well been invented. The working group set up after last year's crisis to work out measures, etc., has remained virtually idle for one year.

Nonetheless, according to both "central" and commercial banks, the current dialogue is quite constructive. This is probably due to the perfect awareness of most bankers that the Central Bank has introduced new reservation rates and other strict measures because it was forced to. In the opinion of Aleksandr Zurabov, president of Menatep, "the Central Bank's measures are justified and are comprehensive in nature." By bankers' estimates, the moves made by the Central Bank will result in the shrinkage of the money supply by not more than 2-3 trillion rubles, whereas what entered the economy was much greater. True, this is a poor comfort to some banks that — due to poverty or sloppy performance — have no readily liquid "cushion," by selling which they could build reserves in accordance with the new rules late this month. Since such banks do exist, the banking community should do its best to avoid a domino effect like the one of last August.

The situation has been further aggravated by the suspension, by the same decision of 10 June by the Central Bank, of pawn auctions (by crediting of banks by the Central Bank on pledge of their securities packages), which were in fact the only means of emergency support of bank liquidity.

Special problems have been created by the investors' reduced confidence in state securities on the eve of the election. This entails not only an additional burden on the Central Bank as a dealer on the market but also almost insurmountable problems for small and medium-sized banks. The thing is that under the usual situation they were able to obtain credits from larger banks on pledge of state securities. Now, however, they are facing a dilemma: either to sell state short-tern bonds at a current, low price and to sustain losses or to hold them on, which puts their solvency in jeopardy.

It is equally obvious that any banking investment will have to be suspended again for an indefinite time. While the decrease in reservation norms in May at least gave rise to a faint hope that some proportion of this capital could be channeled to the industrial sector at an acceptable interest rate, after the reservation norms were raised this hope vanished.

Some banks still seem to hope that after the election the norms will be reduced again and billions of Western dollars will pour into Russia. Then we can forget about any liquidity crisis. It should be remembered, though, that a liquidity crisis is a nonpolitical phenomenon; therefore, it can take place even in a country with a constitutional monarchy, not only in one being haunted by a new specter of Communism. So, we should get ready.

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Russia: Central Bank's Dubinin Addresses Press Conference

MM1706130796 Moscow ROSSIYSKAYA GAZETA in Russian 15 Jun 96 p 9

[Report by Maksim Zarezin from the "Business in Russia" section: "First Flashes of Lightning in Budget Storm"]

[FBIS Translated Text] The Central Bank will remain loyal to the course of curbing emission and struggling against inflation, Central Bank chairman Sergey Dubinin said at a press conference.

The press conference was devoted to the new law which compels the Central Bank to pay the budget 5 trillion rubles [R] in adopting which the executive and legislative branches operated so efficiently and harmoniously that the country's central bank had no chance left of influencing the decision's adoption.

The lines of the Central Bank statement on the subject let slip sincere resentment and perplexity: How can it be — we did everything demanded of us, we helped the budget and restricted money emission to the framework of inflationary safety. But all our efforts were brought to nothing by the sudden discharge of money into the economy, which amounted to R13 trillion in the first 10 days of June. As a result the Central Bank was obliged to take tough anti-inflation measures which will obviously not be to the liking of the commercial banks — increasing compulsory reserves and abandoning its own plans to reduce the interest rate.

Yet something similar was to be expected. According to the estimate of experts from the Russian Academy of Sciences Institute of National Economic Forecasting and the Federation of Russian Commodity producers, even if the receipt of taxes is normalized in the very near future, the execution of the budget in accordance with the planned schedule of state expenditure will lead to a 50 percent increase in the deficit — from 3.8 percent of GDP to 5.7 percent. Unless the tax collection rate is raised the situation will become close to deadlock: Even with the maximum reduction of state expenditure a hole of R65-70 trillion will be formed in the budget.

Especially as it looks as though no one intends to live within their means — the minimum volume of commitments for long-term financing assumed by the state in the first two months of 1996 alone is assessed at R40 trillion, that is 8 percent of the planned federal budget expenditure. So let us venture to suggest that if Sergey Dubinin had been minister of finances and Vladimir Panskov by the will of fate were to head the Central Bank today's collision would have occurred in one form or another. After all, the volume of tax arrears has already passed the R100 trillion mark. Here it really is a case of business and pleasure not mixing.

It may be said that this is a one-off emergency measure generated by specific circumstances of a sociopolitical nature. It is entirely likely that after the elections given a certain outcome there will be an increase in business activity and in any case in taxpayers' awareness. But I fear that in the fall the situation will be aggravated again and the state will have to pay for the large-scale loans beginning in March.

Unfortunately we have most likely gone through the stage of the stagflation trap, well known in both theory and practice, when there is still a choice between inflation and recession and there is room to maneuver which, incidentally, we did not use. And that means that the situation today or tomorrow could get out of control and enter a chain reaction regime. But let us assume that this is a pessimistic scenario and there is still an optimistic one. But it requires bold and nonstandard decisions and not simply skilled technical execution of a few monetarist ploys.

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International Affairs

Ukraine: Defense Minister Comments on Russian Presidential Election

LD1706162596 Kiev UNIAN in Ukrainian 1500 GMT 17 Jun 96

[FBIS Translated Text] Kiev — "The two such economic partners as Russia and Ukraine should solve the existing problems and continue cooperation no matter what the outcome of the presidential election will be," Ukraine's Defense Minister Valeriy Shmarov has told a news conference, commenting on the preliminary results of the presidential election in the Russian Federation. According to Shmarov, the defense ministers of NATO member states and the countries which joined the Partnership for Peace program, at their "16 plus 26" formula conference at NATO headquarters in Brussels last week, were expressing their anxiety over the results of the Russian election. "Europe is concerned at the possible reanimation of the Soviet Union," Shmarov said. He pointed out that NATO was "looking for compromise forms of cooperation with Russia."

Ukraine: Defense Committee Chairman Views Russian Elections

LD1706171596 Moscow INTERFAX in English 1702 GMT 17 Jun 96

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] Kiev. June 17. (Interfax - Ukraine) — The returns of both the first-round and run-off elections "will have no effect on the situation in Ukraine", Chairman of the Ukrainian parliamentary committee for defence and state security Vladimir Mukhin said.

"It was quite predictable that Gennediy Zyuganov roughly the same number of votes", he said in an IF-U [INTERFAX-UKRAINE] interview.

According to him, further steps of the two candidates' teams will largely depend on the run-off returns.

Commenting on the good success of Aleksandr Lebed, the people's deputy said that the Russian general had been offered much air time on the Russian TV which allowed him to win good support among the Russian electorate.

Ukraine: Defense Minister Announces Cooperation Program With NATO

LD1706171496 Kiev UNIAN in Ukrainian 1645 GMT 17 Jun 96

[FBIS Translated Text] Kiev — Within one or two weeks, NATO and Ukraine will agree an individual cooperation program for 1996-1998, Ukraine's Defense Minister Valeriy Shmarov has told a news conference on the outcome of the session of defense ministers of NATO member states and the countries that joined the Partnership for Peace program, which was held at NATO headquarters in Brussels at the end of last week.

The Ukrainian defense minister said the new program "is rather intensive" and envisages more than 200 events involving subunits of the Ukrainian Armed Forces.

Shmarov said the defense ministers, at their session at NATO headquarters, had paid special attention to NATO's eastward expansion. "Ukraine is not against the alliance's movement to the East, provided no nuclear weapons will be deployed on the territory of the countries that are to become members of the North Atlantic bloc," Shmarov said.

Ukraine: Geneva Disarmament Conference Accepts Ukraine as New Member

LD1806102796 Kiev UNIAN in Ukrainian 0850 GMT 18 Jun 96

[FBIS Translated Text] Kiev [no date as received] — A special plenary meeting of the Conference on Disarmament, held in Geneva, has approved a decision on expanding its membership.

A UNIAN correspondent has learned at the press center of the Ukrainian Ministry of Foreign Affairs that Ukraine was included among the newly-elected members of the conference. Before then it had participated actively in the conference as an observer. Ukraine's acceptance, in the general opinion of the members of the conference, will raise considerably the effectiveness of its work. The unanimity on this issue among the members of the conference testifies to the recognition of Ukraine's high international status.

The task of the Conference on Disarmament is to discuss the most important issues of control over weapons and disarmament as well as to draft relevant international legal documents.

National Affairs

Ukraine: Kuchma Says 'No Reprimands' for Security Services

LD1706171096 Moscow INTERFAX in English 1521 GMT 17 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] President Leonid Kuchma is on the whole satisfied with the activity of the country's power structures.

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While visiting exercises of the units of the National Guard near Kiev Kuchma told journalists that "he has no reprimands" for the activity of Ukraine's Interior Ministry and Security Service.

As far as the Defense Ministry is concerned, Kuchma said, "there are much more questions there," however, they are not linked with the work of the Defense Ministry itself.

"The state has financed the army only by 30 percent," he said. "We must take the greater part of this guilt."

Kuchma also expressed doubt concerning information of several analytical centers which point to an inappropriate combat readiness of the Ukrainian army. "These centers are being used for political goals but not for presenting reliable information," he said and noted that "combat efficiency of our army is not lower than that of our neighbors."

Asked about functions of the National Security Council [NSC] stipulated in the draft of Ukraine's new constitution Kuchma said that the NSC must be "an efficient institution able to adopt decisions when it is difficult for one man to adopt them."

After the exercises Kuchma wished to the Guards who participated in them that "they would not be able to use their skills in practice though they must be always ready for this. The situation in the world is such that one should keep gunpowder dry," Kuchma said.

During these exercises a spetsnaz (special purpose) company assigned to Ukraine's National Guard was training encirclement and destruction of a group of terrorists who have penetrated Ukraine's territory like tourists and seized hostages. In line with the exercises "legend" terrorists demanded to free their leader and to stop hostilities in the region of their stay.

Ukraine: Shmarov Favors Revision of Russian Black Sea Fleet Status

LD1706173396 Kiev UNIAN in Ukrainian 1645 GMT 17 Jun 96

[FBIS Translated Text] Kiev — The current status of the Russian Black Sea Fleet should be revised, Ukraine's Defense Minister Valeriy Shmarov told a news conference today, commenting on the provision banning the stationing of foreign bases on Ukrainian territory, which has been incorporated into the text of the Constitution by the Supreme Council's provisional Ad-Hoc commission set up to finalize the draft fundamental law of Ukraine.

According to the minister, this does not mean that this provision "will be included in the new constitution automatically." At the same time, he stressed that this norm "will hardly be implemented at once" if approved. Shmarov said "a situation whereby the new constitution is adopted today and a new status of the Russian Black Sea Fleet is determined tomorrow is impossible," because "this will take several years, and can only happen after Russia and Ukraine resolve issues of dividing, basing, and leasing the Black Sea Fleet".

Ukraine: Kyrgyz President Arrives for Official Visit

LD1806105896 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 18 Jun 96

[FBIS Translated Text] Kyrgyz President Askar Akayev arrived in Ukraine today on an official visit. He was met at Borispol airport by Ukrainian Prime Minister Pavlo Lazarenko, President's Administration Head Dmytro Tabachnyk, Minister of Foreign Affairs Hennadiy Udovenko, and other officials. The program of the visit envisages Akayev's meetings with Ukrainian President Leonid Kuchma and Supreme Council Head Oleksandr Moroz. Akayev will visit the Ukrainian Trade and Industry Chamber, where he will meet representatives of Ukrainian business circles, and the Institute of Cybernetics of the Ukrainian National Academy of Sciences.

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Belarus

Belarus: Lukashenka, Others View Russian Election Results

LD1706165996 Moscow INTERFAX in English 1521 GMT 17 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] President Alyaksandr Lukashenka has described early returns from Russia's presidential poll on Sunday as the people's assessment of the country's reforms.

In a speech to youth leaders on Monday, he pointed to the newly-emerging trend of a comeback by left groups including Bulgaria, Czech Republic and Poland.

The president described as being perfectly left the country's current parliament which has not a single member of the right wing opposition.

He does not think Yeltsin would have had an easy ride if he had faced only candidates of the right wing opposition which is out of power now.

But Parliament Speaker Semyon Sharetskiy declined to comment on the first round of the Russian election apart from saying Belarus would respect the Russians' choice and would always live in peace with Russia.

Petr Kravchenko, head of the parliamentary foreign affairs commission, said he had no doubts about Yeltsin's win in the first round. He told Interfax on Monday that the Russian leader would win a convincing victory in the run-off election because of a vote redistribution in his favor.

Kravchenko does not believe that General Aleksandr Lebed's electorate will throw weight behind the left-wing candidate. He said the fact that Lebed has come third in the Sunday poll indicates that a large chunk of the Russian electorate is longing for a strongman to help lead the country out of economic crisis. Kravchenko said the bulk of Lebed's electorate is made up of women voters and defense industry workers.

CIS Executive Secretary Ivan Korotchenya says he is pleased that his forecast of Boris Yeltsin's win of the first round has materialized.

If Yeltsin and Lebed reach agreement, the general's electorate can help the Russian leader win a convincing victory in the run-off election due in two weeks' time, Korotchenya told Interfax.

He believes Yeltsin's possible re-election raises hopes for the continuance of Russian reforms and CIS consolidation.

Korotchenya says Yeltsin's involvement in the next CIS summit after winning a second term in office will make a substantial impact on the process of CIS integration.

Belarus: Politicians Comment on First Round of Russian Elections

WS1806082696 Minsk BELAPAN in English 0743 GMT 18 Jun 96

[FBIS Transcribed Text] Minsk, 17 June — At the request of a BELAPAN correspondent some well-known Belarusian politicians, deputies to the Supreme Soviet, commented on the results of the first round of presidential elections in Russia which took place on June 16.

Pyotr Krawchanka, Chairman of the Supreme Soviet Committee on Foreign Affairs, holds that the main result is that Russia has avoided a civil war. "As for me," he said, "the results of the elections are far from being unexpected. I predicted that Boris Yeltsin would be the winner." "Russia has shown that it does not want to go back." As for the second round of election, in Mr Krawchanka's opinion, Yeltsin's victory "would be a very favourable outcome for Belarus."

Stanislaw Bahdankevich [former National Bank chairman and leader of the United Civic Party] also pointed out that he had had no doubts about Boris Yeltsin's victory in the first round of the elections. Mr Bahdankevich added that he likes the present Russian president and would be glad if he won in the second round because "his victory will help to stabilise the situation in Belarus." Mr Bahdankevich also said that the United Civic Party intended to picket the Russian Embassy to support Boris Yeltsin. "If this picketing is not assessed as interference in the domestic affairs of Russia, we will organise it without fail," Mr Bahdankevich said.

Henadz Karpenka [Supreme Soviet deputy chairman] told a BELAPAN correspondent that "Boris Yeltsin's success will allow Belarus to uphold democracy and determine on the country's economic policy. If Yeltsin wins, our relations, as of two sovereign states, will acquire new forms and content. Having such a neighbour Belarus will not be isolated from the economic processes that are underway in Russia and will not be a totalitarian state in the centre of Europe."

Anatol Malafeyew, a member of the Party of Communists faction in the Supreme Soviet, said that the presidential elections in Russia "is a purely Russian affair." Mr Malafeyew expressed certitude that "whoever wins in the second round — Yeltsin or Zyuganov — at first everything will be relatively quiet in Russia. But in one and a half or two years people will demand the fulfillment of the President's promises." According to Mr

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Malafeyew, most people do not care about the sort of society they will have — socialism or capitalism. They simply want living standards in the country to be high.

Moldova

Moldova: Russians in Moldova 'Mostly' Voted for Lebed

AU1806094196 Chisinau INFOTAG in English 2004 GMT 17 Jun 96

[FBIS Transcribed Text] Chisinau, June 17 (INFOTAG) — The majority of Russian citizens residing in Moldova took part in the 16 June Russian presidential elections, and mostly voted for Lt. Gen. Aleksandr Lebed, the ex-commander of the former Russian 14th Army deployed in the Dniester region. He received some 45 percent of all votes, INFOTAG was told by Yevgeniy Lapustin, press secretary in the Russian Embassy in Chisinau.

There are over 30 thousand Russian citizens eligible to vote, who reside on the Moldovan territory, or were in the republic on the voting day. Of them, more than 18 thousand came to polling stations last Sunday. Forty-five percent of them voted for Lebed, 36 percent for the communist party leader Gennadiy Zyuganov, 11 percent for the current President Boris Yeltsin, 3.6 percent for nationalistic celebrity Vladimir Zhirinovskiy, 2.9 percent for reformer Grigoriy Yavlinskiy. The remaining five candidates have polled practically nothing.

According to Yevgeniy Lapustin, two polling stations in Chisinau and Tiraspol, as well as several polling facilities in the Russian Army garrisons located in the Dniester region have been visited by observers, including the representatives of Lebed and Zyuganov. They stated no serious claims concerning the voting procedure.

Moldova: Tiraspol Officer Warns of New Conflict If Zyuganov Wins

AU1806093596 Chisinau BASAPRESS in English 2058 GMT 17 Jun 96

[FBIS Transcribed Text] Tiraspol 17/6/1996 (BASA-press) — Aleksandr Lebed's victory in the Russian presidential vote would have most favored Chisinau, Mikhail Bergman, [Tiraspol chief of staff] one of Lebed's closest supporters, told reporters.

In his opinion, if Lebed won, he would have liquidated the self-proclaimed Dniester Republic and would have restored Moldova's territorial integrity.

"In the event of Yeltsin's victory, the Chisinau-Tiraspol talks will proceed just as before, without much change in sight."

In case of communist Zyuganov's victory, Tiraspol will try to change the political situation in Moldova, including by force.

"In this case Dniester military groups will go to the Moldovan capital, and the author of this plan and the leader of this operation will be the current security minister in Tiraspol, Vadim Shevtsov, who holds de facto the power in the region," said Bergman. The colonel also said in Chisinau there exists "the fifth column" ready to side with Tiraspol. He did not elaborate.

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Kazakhstan

Kazakhstan: Nazarbayev Hopes Russians Vote for Further Reforms

LD1806083996 Moscow INTERFAX in English 0733 GMT 18 Jun 96

[FBIS Transcribed Text] ALMATY, June 18 (Interfax) — President Nursultan Nazarbayev of Kazakhstan hopes that Russian citizens will choose further political and economic reforms for their country.

"I believe this is the only right way for Russia and I hope the people of Russia will vote for it," Nazarbayev told Interfax.

Kazakhstan wants Russia to "become a law-based democracy with a well-developed market economy," said Nazarbayev.

According to Nazarbayev, the first successes of Russian reforms are evident. "It is necessary for this process to continue and for there to be no attempts to reverse society and the economy," said the Kazakh president.

He also said that he spoke recently over the phone with Russian President Boris Yeltsin, but he did not say what they had been talking about.

Kazakhstan: Nazarbayev Welcomes Upcoming Visit by PRC's Jiang Zemin

LD1406192396 Moscow INTERFAX in English 1611 GMT 14 Jun 96

[FBIS Transcribed Text] [no dateline as received] Kazakhstan plans to export natural gas to China and does not rule out that an oil pipeline may be laid to that country, President Nursultan Nazarbayev told reporters during his visit in Almaty on Friday to the exhibition "China: Yesterday and Today," which is timed to coincide with the official visit to Kazakhstan of the Chairman of the Chinese State Council, General Secretary of the CPC Central Committee Jiang Zemin.

The visit by the Chinese leader to Kazakhstan, the first one in the history of the two countries' relationships, is scheduled for July 4-6.

Nazarbayev told reporters that he "attaches a great importance to the historic visit by the leader of China to Kazakhstan." He also said that "the tendency to strengthen friendly relations between the two countries is obvious."

Saying that "he has visited China already five times since 1985," the Kazakh leader expressed satisfaction that "many problems in the bilateral relations were solved over the past few years." For example, Almaty and Beijing signed a treaty on friendship and cooperation, he said.

Nazarbayev also made it clear that he attaches a great importance to the bilateral economic cooperation. He gave a high assessment to the fact that the two countries transport networks had been connected by commissioning a railway from Kazakhstan to the Pacific Ocean via China. He also spoke highly of the opportunity provided by Beijing to use terminals in its ports at the Pacific coast. This is indicative, believes the Kazakh leader, of "China's sincere desire to develop friendly relations with Kazakhstan."

For his part, Kazakh Foreign Minister Qasymzhomart Toqayev told Interfax that during Jiang Zemin's visit to Almaty the two sides are expected to sign a bilateral declaration.

The document, he said, features the principles of both countries' relationships in the 21st century which the two sides want to describe as "a constructive partnership."

Thus, said the foreign minister, "Kazakhstan and China enter the next millennium as partners."

Asked by Interfax to comment on China's recent nuclear test at the Lopnor test ground, Toqayev said that the Kazakh Foreign Ministry had already made a special statement on the score. In this document, he said, the foreign ministry expresses "a deep concern" over nuclear testings, but it hails the statement of the Chinese foreign ministry that China joins the moratorium for nuclear arms tests.

"This important action which means the cessation of testings by all nuclear powers will undoubtedly create favorable conditions for signing an agreement on a comprehensive ban of nuclear tests, and will ensure reliable conditions for further harmony in the international relations," said the Kazakh foreign minister.

Kyrgyzstan

Kyrgyzstan: President To Visit Ukraine To Boost Relations

LD1706165496 Moscow INTERFAX in English 1521 GMT 17 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] On Tuesday [18 June], Kyrgyz President Askar Akayev will begin an official visit to Ukraine at the invitation of Ukrainian President Leonid Kuchma.

During the visit, Akayev will have talks with Kuchma, Ukrainian Prime Minister Pavlo Lazarenko and parliament chairman Oleksandr Moroz.

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The two sides are expected to sign a new treaty of friendship and cooperation between Ukraine and Kyrgyzstan as independent countries (the current treaty was signed by Akayev and former Ukrainian president Leonid Kravchuk in Bishkek in 1991 before the disintegration of the Soviet Union), a high-ranking Kyrgyz official told Interfax.

Baktybek Abdrisayev, head of the International Relations Department in the Kyrgyz president's administration, said that the two countries are also expected to sign a number of agreements on trade and economic cooperation, on further deepening of economic integration, and on cooperation in the areas of science, new technologies, education, physical culture and sports.

Abdrisayev noted that there has been a "serious decrease" in trade and economic cooperation between Kyrgyzstan and Ukraine lately. At the same time, he expressed the hope that the visit will remedy the situation.

Abdrisayev believes that both countries can find acceptable ways to boost mutually beneficial trade and economic cooperation although Ukraine is not a member of the CIS Customs Union.

Kyrgyzstan is particularly interested in Ukrainian metallurgical plants' products, power equipment, transformers, raw materials for its food industry, including high-quality alcohol, he added.

For its part, Kyrgyzstan is ready to supply Ukraine with antimony, tobacco and textile.

Viktor Panasyuk of the Ukrainian Ministry of Foreign Economic Relations, told Interfax that the two sides are expected to sign nine bilateral agreements in order to coordinate their economic reform policies and boost economic ties between Ukrainian and Kyrgyz businesses.

IF Note: Ukraine sold Kyrgyzstan mostly food and agricultural produce in 1995, including alcohol and tobacco products (70 percent), machinery (10 percent) and metal products (10 percent). Kyrgyz raw tobacco accounted for 70 percent of Ukraine's imports. In addition, Ukraine also bought chemical products (10 percent) and machinery (9 percent) from Kyrgyzstan.

Kyrgyzstan: Foreign Minister: Tajik Border Tension Not Unusual

LD1306170596 Moscow INTERFAX in English 1403 GMT 13 Jun 96

[FBIS Transcribed Text] BISHKEK, June 13 (Interfax) — The current tensions in Tajikistan in the areas bordering on Kyrgyzstan are not something extraordinary although the hostilities cause concern, Kyrgyz Foreign Minister Roza Otunbayeva told a news conference in Bishkek on Thursday.

The Kyrgyz side describes them "as more summer activity by the forces of the Tajik armed opposition," she said.

Bishkek is closely following the inter-Tajik talks and hopes to achieve compromise at another round of talks planned shortly, she said.

In view of this she spoke in favor of more active peacekeeping efforts on the part of the world community. "Not only Russia and the republics of the former Soviet Union, but also the United States should undo this knot. If these two states do not join forces and be active in this (matter), it will be difficult to hope for an early settlement of the conflict," she believes.

She does not see a need to tighten immigration control for the refugees who are fleeing to Kyrgyzstan from Tajikistan. According to the information she has, around 14,000 Tajik refugees are officially registered in the republic as of today.

Tajikistan

Tajikistan: Eight Servicemen Wounded in Bus Attack in Dushanbe

LD1806052796 Moscow ITAR-TASS World Service in Russian 0440 GMT 18 Jun 96

[FBIS Translated Text] Dushanbe, 18 June (ITAR-TASS) — An armed attack was launched in Dushanbe today on a service bus carrying servicemen of Tajikistan's Defense Ministry. The Tajik Ministry of Internal Affairs has told the ITAR-TASS correspondent that the incident happened at 0730 hours local time [0130 GMT] in one of the city's residential suburbs. The unidentified persons who shelled the bus from assault rifles and grenade launchers fled into the mountains.

Eight servicemen were wounded in the shelling, two of them seriously. They were taken to local military hospitals. An operational investigation group from Tajikistan's Ministry of Internal Affairs and Ministry of Security is working at the scene of the incident. Several versions are being worked on. A criminal case has been opened. The motives of the attack are being established.

Tajikistan: Fighting Continues in Tavil-Dara District

LD1406121296 Voice of Free Tajikistan in Tajik 0600 GMT 14 Jun 96

[FBIS Translated Text] A report from Tavil-Dara District says that despite the fierce clashes which continue

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in three directions there has been no information about any advance by ether side.

According to the Tajik United Opposition Forces Media Center, not an hour has passed without shooting during the last 24 hours. Government forces have launched a large-scale offensive to get control of the most strategic points. According to this source, an offensive by government forces was neutralized in the Karanak Pass. But opposition fighters have said that despite this, they did not advance and remained in their positions.

The media center said that a great number of mercenaries were killed in yesterday's offensive, of which they had clear evidence. The source, quoting the commander of Tavil-Dara operations, Mirzo Ziyo, said that the number of killed on the government side was immense but the intense fighting made it impossible to do a precise count.

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Armenia

Armenia: Concern Expressed Over U.S. State Department Statement

NC1706151896 Yerevan Radio Yerevan International Service in Armenian 1900 GMT 16 Jun 96

[FBIS Translated Text] The Armenian Foreign Ministry press service distributed a statement that specifically says: The Armenian Foreign Ministry is concerned over the statement issued by the U.S. State Department on 12 June, concerning Section 907 of the fiscal year 1997 Foreign Operations Bill, adopted by the House of Representatives.

The wording of the statement encourages the tough position adopted by Azerbaijan in talks and thus endangers the peace process.

The statement disregards the existing humanitarian problems in the Nagorno-Karabakh Republic, and overlooks the fact that by rejecting a dialogue with Nagorno-Karabakh, Azerbaijan cannot act as a conduit for humanitarian assistance for refugees and uprooted persons in Nagorno-Karabakh.

That statement also predetermines the status of Nagorno-Karabakh, notwithstanding the fact that according to a decision of the OSCE council of ministers in 1992 the problem of status should be discussed at talks and determined upon at the Minsk Conference.

The Armenian Foreign Ministry is of the opinion that assisting one of the conflicting sides is incompatible with a mediatory role.

Armenia: France Agrees To Help Build Nuclear Power Plant

NC1506120196 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0819 GMT 15 Jun 96

[FBIS Transcribed Text] Paris ("AZG" daily — AFP), 06/14/96 — French President Jacques Chirac positively responded to his Armenian counterpart Levon Ter-Petrosyan, who asked France to help with construction of a new nuclear plant in Armenia on Wednesday [12 June].

As a result of negotiations Chirac said that France will do its best to support Armenia's efforts in this direction. He said that Armenia's desire to acquire energetic independence is fully understandable, and France will help with implementation of corresponding projects of the Armenian government.

During a meeting with French businessmen Ter-Petrosyan said that Armenia has a great demand for power, and it will need the French nuclear plant by the year 2005 or 2007. France has already participated in improving the security of the Medzamor nuclear plant.

Levon Ter-Petrosyan has also met with French Prime Minister Alain Juppe, Foreign Minister Herve de Charette, and Chairman of National Council Philippe Sezen. The delegation will return to Yerevan this evening.

Armenia: Yerevan Satisfied With Ter-Petrosyan's Visit to France

LD1706165896 Moscow INTERFAX in English 1521 GMT 17 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] Presidential spokesman Levon Zurabyan has expressed satisfaction with a visit Ter-Petrosyan made to France last week.

The visit, which lasted from June 11 to 13, was "an important event in the history of Armenian-French relations," Zurabyan told a news briefing in Yerevan. Contacts between the two countries have become "more intensive" this year.

Zurabyan also said Yerevan hoped for partnership with Paris in dealing with problems of security, peace and stability in Europe.

France, for its part, attached great importance to efforts to find a long-term solution to the Nagorno-Karabakh conflict, the spokesman said. President Jacques Chirac and other French leaders, at meetings with Ter-Petrosyan, proposed setting up a security system for Nagorno-Karabakh. France also said it planned to become more active in the Minsk Group of the Organization for Security and Cooperation in Europe (OSCE).

Apart from that, Paris promised assistance in Armenia's planned integration into European bodies, including its bid to join the Council of Europe, Zurabyan said.

France also expressed the desire to give Armenia economic assistance, he continued. Paris and Yerevan intended to give a new impulse to French investment in Armenia, specifically into its energy, chemical, transport and communications industries.

It was also expected that French capital would go into smaller and medium-sized Armenian businesses to "help in the economic restoration of the country," the spokesman said.

Ter-Petrosyan's meetings in France included some with key figures in big companies such as Air France and Alcatel.

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One of the subjects the president discussed with top French businessmen were plans to build a nuclear power plant in Armenia with French specialist assistance, Zurabyan said.

Azerbaijan

Azerbaijan: Aliyev Complains to U.S. Envoy About Congress Resolution

NC1406141196 Baku TURAN in English 0544 GMT 14 Jun 96

[FBIS Transcribed Text] Baku/13.06.96/TURAN—Today the president Geydar Aliyev invited the U.S. Ambassador to Azerbaijan Richard Kauzlarich. The president expressed dissatisfaction with the decision of the House of Representatives of the U.S. Congress of June 11 ("amendment of Porter") on providing assistance to Nagorno-Karabakh in 1997 fiscal year.

The relations with the U.S. remains priority for Azerbaijan, at the same time in 1992 the U.S. Congress adopted the amendment 907 to the Freedom Support Act banning providing governmental assistance to Azerbaijan. Such decision was explained by the "blockade of Armenia on the part of Azerbaijan." However, as a result of the aggression of Armenia just Azerbaijan had lost part of its territory and has about one million refugees. As a result of the occupation of our lands transport communications of Azerbaijan, connecting us with Nagorno-Karabakh and Nakhichevan are under the control of Armenia, how one can speak about blockade on the part of Azerbaijan," Aliyev noted. [no begin quotation marks as received]

And Azerbaijan is the only country which has been deprived of the U.S.'s help, Aliyev said. "We consider the U.S. an important economic partner, and that is confirmed by the oil contracts, but unjust decisions of the Congress cause our indignation," the president said.

"President Clinton told me that he did not support the anti-Azerbaijani decisions of the Congress, however official Washington has not made any real steps in this direction. We had talks with Washington in order to prevent adoption by the House of Representatives of the amendment of Porter, but our efforts were not success, Aliyev underlined. "The amendment of the congressman Porter is a strike on Azerbaijan and undermines its territorial integrity," Aliyev said.

The Ambassador Kauzlarich said in turn, that decisions of the Congress are demonstration of democratism which has positives and negatives and sometimes creates problems for the foreign policy of the U.S. Despite the Section 907, the U.S. delivered the humanitarian assistance to Azerbaijan totalling 90 million dollars. However, Geydar Aliyev said that for Azerbaijan just decision is higher than humanitarian help.

"I hope that by joint efforts we will not allow the confirmation by the Senate of this Bill. I have sent relevant messages to Bill Clinton and Albert Gore," Geydar Aliyev said.

• The House of Representatives June 11 has adopted the Fiscal Year 1997 Foreign Operations bill. According to this project next year the U.S. can deliver humanitarian help to Azerbaijan under the condition that the same help will be delivered to Nagorno-Karabakh in ratio 7:1.

Azerbaijan: Political Parties Upset at U.S. Congress Resolution

NC1406143396 Baku TURAN in English 0545 GMT 11 Jun 96

[FBIS Transcribed Text] Baku/13.06.96/TURAN—On June 11 the House of Representatives of the U.S. Congress adopted Foreign Operations bill for the Fiscal Year of 1997. In accordance with the legislation, next year the U.S. can provide governmental assistance to Azerbaijan if the same assistance is provided to Nagorno-Karabakh in correlation 7:1.

Due to this fact, Musavat party has issued the statement. "This is the second unconstructive step of the U.S. Congress after passing of 907 amendment to Freedom Support Act in 1992. This resolution will negatively affect resolvement of the Armenian-Azerbaijani conflict. Moreover, this step testifies to dangerous trend aimed at recognition of self-proclaimed Nagorno-Karabakh republic", the statement reads.

"The U.S. Congress adopts such resolution against the background of signing of large oil contracts between Azerbaijan and U.S. exciting indignation of publicity. American politicians must take into consideration that their activities can deliver a blow to the interests of the U.S. in Azerbaijan".

Musavat party has called to Azeri authorities to refuse from the U.S. governmental assistance if this bill is adopted by the Senate as currently written.

The letter of the head of National Independence party, Etibar Mamedov, to the U.S. Ambassador to Azerbaijan, Mr. Richard Kauzlarich, reads the party considers the activities of the House of Representatives of the U.S. Congress to be "disrespect for territorial integrity and sovereignty of Azerbaijan".

"It should be noted that this unfriendly act towards Azerbaijan has been made right after the words of the U.S. Deputy Secretary of Energy, Mr. Charles Curtis, in Baku that all actions aimed against Azerbaijan will be

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considered to be aimed against the U.S. foreign policy", Etibar Mamedov notes.

The head of National Independence party considers the "Porter Amendment" to be the pressure on Azerbaijan, which can complicate resolvement of the Armenian-Azerbaijani conflict.

The letter of General Secretary of Democratic Party, Sardar Jalaloglu, to the U.S. Ambassador to Azerbaijan Mr. Kauzlarich reads that the resolution of the House of Representatives called "amendment of Porter" has been passed under the pressure of Armenian lobby. "By this amendment the U.S. Congress does not actually recognize Nagorno-Karabakh as the territory of Azerbaijan", the letter reads.

Azerbaijan: Russia Reopens Astrakhan-Baku Sea Transportation Route

NC1506113396 Baku TURAN in English 0817 GMT 15 Jun 96

[FBIS Transcribed Text] Baku/14.06.96/TURAN—According to the decision of the Prime Minister of Russian Victor Chenomyrdin of June 8, 1996 transport communication by sea Baku-Astrakhan have been opened after long period.

In conformity with this decision the Customs, sanitary and border services of Russia should take necessary measures for providing the control regime on the route Baku-Astrakhan, press-service of the Caspian steam-navigation reports.

Astrakhan has been closed for the Azeri ships since autumn 1994.

Georgia

Georgia: Shevardnadze Discusses Russian Elections, Economic Issues

LD1706102896 Tbilisi Radio Tbilisi Network in Georgian 0510 GMT 17 Jun 96

[Interview with Georgian President Eduard Shevardnadze by correspondent Nato Oniani — live]

[FBIS Translated Excerpt] [Oniani] Greetings. Here is a radio interview with Georgian President Eduard Shevardnadze. Mr. President, probably the whole of the civilized world was closely watching the Russian presidential elections. This issue was the most pressing one for the last two months in political life and not only among political circles — the results of the Russian presidential elections will have significant importance for Georgia.

[Shevardnadze] Thank you, good morning. The Russian presidential election is undoubtedly the most significant issue and the biggest concern for the whole of the world. It is not surprising that in Georgia interest in the Russian presidential election is special and millions of our citizens watched television last night. As for the result, in my opinion it is quite satisfactory. President Yeltsin received the necessary minimum of votes which is a prerequisite for victory in the second round. Of course, much will depend on future cooperation between those [presidential] candidates who received a lot of support from people.

The tension accompanying the Russian presidential election can be explained by the fact that it is not just a president that the Russian citizens are electing but also a public and state structure. Russia is standing at the crossroads today and it must make this difficult choice.

[Oniani] Thank you. Now back to our country. The past economic week was important from the point of view of several interesting events. On 15 June bread prices were freed, and the Economic Council met and discussed the results of the first day [of the price liberalization] along with issues connected with Sakenergo [Georgian power department]. Speaking about energy, a significant agreement was signed during German President Roman Herzog's visit to Georgia. According to the agreement, Germany will provide Georgia with a loan of 50 million deutschmarks [DM] to resolve power problems. As well as this, German businessmen met with their Georgian colleagues. There is no doubt that Herzog's visit to Georgia was primarily political in nature. Both you and Mr. Herzog said at your news conference that you discussed German-Georgian and German-Caucasian relations along with the Eurasian corridor and Germany's possible participation in this project.

[Shevardnadze] As you have already said, bread prices were freed on 15 June. It is no exaggeration to say that this is an important step on Georgia's road to economic reform. Moreover, the socioeconomic results of the bread price liberalization show that our society has matured to finally establishing market relations throughout the country. The process [of bread price liberalization] has been under way for three days and it is proceeding in a normal way. [passage omitted]

As I have said before, the bread business is an interesting, lucrative, and vital business for us and we had to create every condition for those who would work in this sphere. This gives the leadership the task of gradually stepping up assistance to the [socially] unprotected groups of the population and to ensure measures for establishing a normal market. Along with the country's own resources established which were as a result of beneficial macroeconomic conditions and industrial development, support from our Western friends

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is very significant, especially the support of the United States, the European Union, and international financial organizations. As a result of their assistance, the state has the necessary supply of wheat and flour as well as prospects for their replenishment in the event of emergencies. [passage omitted]

Georgia's aspirations for economic and political reforms and Georgia's role in the Caucasus attracts many countries of the world for active cooperation with our state, including Western countries.

Last week, an official visit to Georgia by German President Roman Herzog again confirmed the importance of political and economic cooperation between our countries. The visit itself was very special. This strong European country — one of the world leaders — supported the Georgian state not only politically but also economically. Germany confirmed this by supporting Georgia in international organizations and in European structures, as well as by providing direct financial aid to Georgia totalling DM150 million.

[Oniani] You said that when dealing with international economic organizations, Georgia feels that it has a protector in Germany.

[Shevardnadze] You are right. When we speak about sizeable and palpable EU aid we must consider that Germany has the lion's share of this and without Germany's consent the EU cannot provide any assistance. The same system applies to the World Bank, the International Monetary Fund, and the European Bank which are cooperating with Georgia. [passage omitted]

During Herzog's visit to Georgia an agreement was signed allocating a long-term loan of DM50 million to restore Georgia's power network. During Herzog's visit, meetings were held with business circles. Realistic prospects are shaping up for the active involvement of German business in implementing projects involving the building of facilities on the Eurasian corridor and the future Caspian oil transit pipeline.

According to German investors, the following areas are of interest for investment: raw material processing, extraction of fuel, quarrying of gold, precious and semiprecious stones, as well as the development of light industry, agriculture, tourism, chemical and volatile oils, truck construction, shipbuilding, etc. It is impossible to give a full list.

I would also like to tell our radio listeners that Mr. Herzog supported the movement For a Peaceful Caucasus. He declared openly that Germany is interested in the Caucasus, and if there is peace in the region then economic cooperation and cooperation in other spheres will expand. [passage omitted]

Speaking of last week's events, the economic-consultative council under the Georgian president, the aspirations and activity of which are becoming more and more vigorous day by day, discussed at its regular session the draft plan for the country's socioeconomic development in the period between 1996 and 2000. The draft plan provides for implementing the regulations and requirements of the presidential program. Strategies and goals for socioeconomic development based on an in-depth analysis of the real state of the economy over the last few years are drawn up in the draft. Also drawn up are measures for economic reform and macroeconomic policy. The draft defines the main trends and measures for the transformation of property policy, as well as measures for the implementation of monetary and credit policy along with the development of the social sphere and the regional economy. The draft includes important state programs.

During discussion of the above issues, I put forward the suggestion that the serious work we are about to carry out in the near four or five years be published so that the population has an opportunity to see what economic life will be like in the years to come. The prospects are very attractive and encouraging. But it is important that we implement the adopted plan. It was noted during the discussion of the state program for restructuring the power generation network that in order to overcome the current crisis in the network and in order to improve the financial situation in the system, it is important that we use our own resources along with foreign aid. The program includes practical models for reforming the structure of management in the power generation network, as well as its privatization. It has been planned that independent bodies which are to define state policy for the sector and regulate the power generation network shall be established. At the initial stage of restructuring the network, it has been planned that financially independent enterprises will be set up on the basis of Sakenergo [Georgian power department]. They will generate, service and distribute power. [passage omitted]

In my interviews I traditionally touch on tax policy, the state budget, and so on. I think that will not be necessary today because the day after tomorrow an expanded session of the government will be held and it will sum up the results of the country's economic, industrial, and financial situation over the past five months. When the session is over, our radio listeners will hear the results, so let us not waste time on this issue.

[Oniani] Thank you. You have been listening to Georgian President Eduard Shevardnadze.

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Georgia: Hijackers Release Women, Children Hostages in Abkhazia

LD1506184596 Moscow ITAR-TASS World Service in Russian 1800 GMT 15 Jun 96

[By ITAR-TASS correspondent Tengiz Pachkoria]

[FBIS Translated Text] Tbilisi, 15 Jun (Itar-Tass) — The gunmen who hijacked a bus carrying 22 hostages in the village of Zemo-Bargebi in the Galskiy District of Abkhazia today have released the women and children, Lieutenant General Guram Nikoleishvili, Georgian first deputy defense minister, told ITAR-TASS tonight. The remaining hostages are being held in the town of Gali.

The gunmen's requirements are the same: to swap the hostages for the Pachulia brothers, who are facing criminal charges brought by the Georgian law enforcement bodies for crimes committed against civilian residents of Abkhazia in 1993-94.

The Georgian authorities have advised the UN mission in Georgia and the command of the Russian peacekeeping forces in the zone of the Abkhaz conflict that the hostages have been taken, Nikoleishvili said. The authorities have asked these organizations to facilitate the release of the hostages.

Tamaz Nadareishvili, chairman of the Tbilisi-based Abkhaz parliament, described the events in Galskiy District as acts aimed at derailing the peacemaking process and preventing the settlement of the conflict in Abkhazia.

Georgia: Abkhazians Release 10 Georgians Held in Gali

LD1606204596 Moscow ITAR-TASS World Service in Russian 1716 GMT 16 Jun 96

[FBIS Translated Excerpt] Tbilisi, 16 Jun (Itar-Tass) — Today the Abkhazian side released ten out of 19 citizens of Georgian nationality, held hostage in the town of Gali. ITAR-TASS learned this from the headquarters of Georgian military observers, who are deployed in the town of Zugdidi. [passage omitted]

The headquarters of Georgian military observers said that Georgia's official representatives had appealed to members of the UN mission of military observers and the command of the Russian peacekeeping forces in the area of the Georgian-Abkhaz conflict with the request to render assistance in releasing Georgian citizens, who are being held hostage by the Abkhazian side in the town of Gali.

According to reports from the conflict area, the Abkhazian side said the reason for detaining the Georgian group is the need to establish who they are. Talks are going on about the release of the remaining detainees in Gali.

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